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Telecommunications UPDATE

Number 23 Washington, DC 20547

State of Television Programming: Booming

Some 8,000 delegates descended on warm New Orleans for the annual convention in mid-January of the National Association of Television Program Executives (NATPE)—the yearly showcase of what's new in programming for television. The meeting is the prime marketplace for program producers (and stars) and station program buyers to make deals, and is thus a good annual indicator of the health and status of the program production industry. (NATPE is at the center of the syndication process—where program producers and owners make contracts with individual stations for showings of their programs, both those produced especially for syndication, and those which have appeared on one of the national networks. The major networks select their programs at other times, though often from many of the same companies active in the syndication market.) All told, about 100 new programs were presented for syndication at NATPE this year. There were 23 new game shows—plus 12 already on the air—being offered in New Orleans—an indication of the imitation process at work with a proven and inexpensive format. Absent this year were the high budget and high risk programs evident in the past, but which have not done well in the market. Talk and advice programs also appear down from past years in number of shows offered. Musical programs were focused less on strings of music videos (see page 4 of this issue) and more on either straight reporting about the world of music, or more traditional music variety approaches. A number of new half hour situation comedies are being prepared for syndication based on the success of several recent sit-coms. New children's programs appear to be building more around family themes than adventure or technology. Many of these programs are aimed at the early

(continued on page 3)

SHORT SUBJECTS

American broadcasters use satellite distribution—93 percent of the country's television stations, and 85 percent of radio stations have at least the capability to receive satellite signals.

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As for the smaller, backyard receiving antennas: latest counts suggest 1.6 million are presently in use with another 60,000 being added every single month.

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Turner Programming Services has announced that about 80 percent of the country, if not more, will be receiving by satellite its "Goodwill Games," the international athletic competition in Moscow in July. The games coverage of about 129 hours is expected to be carried in 50 countries and 500 million homes. (From **Broadcasting,** Jan. 27, 1986, p. 38) ☐

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WORLDNET

(see page 8 for schedule)

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Fiber Helps Define a Telephone Merger

In January, GTE-Sprint and U.S. Telecom, the third- and fourth-ranked U.S. domestic long-distance telephone carriers, agreed to combine into a joint firm to better compete with MCI (number two firm), and AT&T (the leader, with 85 percent of the market). To a considerable degree, the merger was built around the two firm's developing fiber optic cable systems. At the end of 1985, according to **Telephone News,** U.S. Telecom had about 4,700 miles of fiber cable while Sprint had about 1,100 miles of fiber in place. By the end of 1986 that network will be expanded to some 14,200 miles, thus reaching more than 80 percent of the population. Analysts said the two networks, which will now be combined, meshed fairly well with only limited overlap. The new company, to be called U.S. Sprint, hopes to build a more effective competitive position against AT&T and MCI by use of this expanding all-digital fiber network. The merger is subject to reveiw and approval by several federal government agencies. ☐

Dishes and Regulators

The Federal Communications Commission (FCC) has decided that local government authorities may not restrict consumer installation of antennas used for receiving television signals from satellites. These TV receive only "dish" antennas have been limited in some areas under some 700 local zoning and land-use regulations—and it is these rules which the new FCC decision preempts. The FCC said that local rules were valid if they were drawn up to meet "a reasonable and clearly defined health, safety or aesthetic objective." Pressure to do away with sometimes troublesome local rules has been building in the past year or so as thousands of new dish antennas go into service. The inception of signal scrambling in January by several of the pay services, however (see **Update 22,** p. 6), may slow down the expansion of the dish market. ☐

AM Antenna Test

Somewhere in the rural farmland near Washington, DC, a project will begin this spring that may result in a technological breakthrough for AM radio. Two prototype antennas will be constructed that—if all goes according to plan—will greatly increase the reach and strength of AM signals. The antennas are designed to take signals that are currently lost to the sky and redirect them toward the ground. The result, engineers say, may be an increase in signal strength of up to three times what a station puts out today. Engineers say the concept has looked good on paper, but since there are no antennas to test the theory, there is no guarantee. Yet the project has looked promising enough that the National Association of Broadcasters recently committed $50,000 toward construction of towers to test the designs. The towers, each of which will be about 225 feet tall, probably will take about one year to build and one year to test. The assumption is the new antenna designs will make sure that 90 percent of a station's signal reaches out along the ground rather than being wasted in the sky, as is the case now. (From **Electronic Media,** Jan. 13, 1986, p. 108) ☐

Pacific Islands Satellite Glut

After years of little choice and few bargains, a glut of satellite capacity is creating a buyer's market for communications users in the Pacific Islands. This satellite option was one of the most widely discussed aspects of the eigth annual pacific Telecommunications Conference in January in Honolulu by the 600 attendees. Competing to provide domestic and regional service to the Pacific Islands are Intelsat's global network, Australia's Aussat system, and Pacstar, a joint venture between New Guinea and American interests. Intelsat is active in the market with new spacecraft, smaller low-cost earth stations and various assistance programs. Australia plans to launch Aussat 3 in several months with one 30-watt and two

12-watt transponders available to 20 Pacific Island groups. And Pacstar is proposing a two-satellite, hybrid system that would use C-band for use in the Pacific Islands to diminish the rain attentuation problem and permit use of low-cost 2.5 meter antennas, all designed to begin in 1989. A related topic at the Honolulu conference was finding a replacement satellite for the ATS-1, which provided low-cost videoconferencing for 20 nations in the Pacific from 1971 through mid-1985. Peacesat and other user groups have pursued reassignment of a Goes weather satellite operated by the U.S. National Oceanic and Atmospheric Administration or space on a Defense Department Marisat spacecraft. Thus far, both agencies, however, have said no. (From **Satellite News,** Jan. 20, 1986, p. 5) ☐

On-Line Ratings

Only about two years ago, if a station or program syndicator didn't have an educator bookworm to pore over the A.C. Nielsen audience ratings numbers "books," it was in serious trouble. But the ratings service has joined the 20th century. With Nielsen's "Micro Node" computer system, subscribers can always get want they want—customized daily or multiday average ratings, multiweek tracking and ranking, Monday-through-Friday time period analyses and program and lead-in estimates. Said one program syndicator: "When we used to pull numbers by hand it would take a staff of five up to eight hours a day. This new system allows us to get down to the nuts and bolts of syndicating, which is developing strategies for local markets. Now we can put our numbers into pie and bar graphs that just jump off the page and make you read them." More than 40 clients pay the $550 per month charged by Micro Node. With the spread of IBM and clone microcomputers, stations and local offices across the country can now instantly have access only to the ratings numbers they actually need. Micro Node customers can close up their offices at night and have the ratings information waiting for them when they open for business in the morning. Subscribers can also receive Arbitron ratings numbers, the other major television ratings firm. (From **Electronic Media,** Jan. 13, 1986, p. 58) ☐

Videotex Future

Videotex is "a rapidly emerging information service" which could be used in 20 to 50 million U.S. homes by 1995, according to the U.S. Commerce Department's 1986 Industrial Outlook. Synthesizing data from private researchers, the report predicts that residential videotex could generate $5 to $13 billion annually within a decade. The government summary acknowledges that videotex "has been a failure as a consumer medium but the biggest growth potential remains in the home market." Within the next three years, the report concludes 4.1 customers will subscribe to text-only services, with about 100,000 subscribers using full-color text and graphics systems. Business videotex is said to have brighter near-term prospects (From **International Videotex/Teletext News,** January 1986, pp. 3-4) ☐

TV Programming,
from page 1

evening viewing hours before network programs begin. Others are designed for daytime or late evening viewing. But the high level of activity and the many companies active in the business indicate that syndicated original TV programming is alive and well in 1986. ☐

Black Soap Opera

First-run syndication (programming which has not been seen on a national network) may be getting its first black soap opera (or dramatic daytime serial) featuring black talent both in front of and behind the camera. O.J. Simpson, a black football star and now a prominent sportscaster, is co-producing "Heart and Soul," described as a soap opera about two black families in the music business. The serial, designed as the first daily drama of its kind, will be written and produced by blacks. There are also plans to use prominent black musicians as special guest stars in some episodes. It will feature more original music than any other soap opera. Still in the develop-

(continued on page 6)

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REGULATION

BOC Restrictions to Continue

In an important decision, U.S. District Judge Harold Greene told the Bell Operating Companies (BOCs) they would continue to be restricted in their business opportunities in the future. In the continued jockeying for competitive position which has characterized the telephone industry in this country in the two years since the AT&T divestiture, the BOCs have repeatedly tried to enter information and long distance markets—and the U.S. Department of Justice and Judge Greene have resisted such moves. Under provisions of the AT&T divestiture agreement, the BOCs must seek court approval to enter most lines of business outside of their central exchange telephone role. The mid-January decision is thus the latest and strongest statement from the judge who oversees the divestiture which appears to limit the BOCs primarily to local exchange telephone and closely-related businesses. Once again, Greene accused the BOCs of loosing their focus on their monopoly local telephone service in their quest for other fields to enter. He severely limited the right of the BOCs to enter into cellular mobile radio or long distance services in each other's franchise regions. The decision is controversial because of increasing feeling on the part of some other government agencies, as well as industry analysts, that the BOCs must be freed to enter other fields. Many feel the ending or limiting of restrictions on the BOCs is important to correcting the U.S. balance of payments problems in the telecommunications field. The Justice Department is undertaking a year-long assessment of the divestiture's aftermath, and will report to Judge Greene early in 1987 on any suggested changes in the accord.

Budget Restrictions Limiting Agencies

The Balanced Budget and Emergency Deficit Control Act, better known in Washington, D.C. circles as the Gramm-Rudman act after two of its congressional sponsors, has begun to have an impact in the regulation of communications. The Federal Communications Commission (FCC) has been told to cut a bit over $4 million from the agency's $94.4 million budget for the current fiscal year. A hiring freeze in place for the past three years will be tightened, and travel will be severely limited. It is too early to tell if the FCC's 1,830 employees (down from a peak of 2,200 in 1981) may face lay-offs as the Gramm-Rudman act mandates event deeper cuts next fall. The National Telecommunications and Information Administration (NTIA), part of the U.S. Department of Commerce, has to take $576,000 out of its $13.4 million budget for salaries and expenses. Faced with similar cuts across the board in government, Congress is scrambling to decide just what to do on needed budget cuts or tax increases. The impact on telecommunications appears likely to be a slow down in development of new regulatory initiatives (or deregulation, for that matter), and possibly a parallel slowing of processing of applications for new service. (Drawn in part from **CommunicationsWeek,** Jan. 20, 1986, p. 8) ☐

The Strange Role of Music Videos

Music videos, those 3-7 minute snippits of video tape based on popular songs, are successful at promoting sales of record albums but are failing to find a market of their own. Although home video software mushroomed into a $1.5 billion industry in 1985, music titles (other than musical feature films) have been a major disappointment. Two years ago, bouyed by the phenomenal success of Vestron's "Making Michael Jackson's Thriller," industry studies predicted that as many as 25 percent of all videocassettes sold in the future would be music titles; in 1985 the actual figure was less than 4 percent. What went wrong? There's no shortage of likely suspects: Manufacturers point their fingers at record-label executives who point to distributors, who point to retailers, who point to apathetic customers. But all agree that unless some way can be found to excite public enthusiasm and to bring tapes to the market sooner and cheaper, music videos may never sell in quantity. Average sales for music videos have been running 5,000 units, not the 50,000 or 100,000 that had been optimistically forecast. In many cases, the resulting income hardly covered the cost of acquiring the material, not to mention manufacturing, distribution, and promotional expenses. One of the bigger problems proved to be a basic misreading of potential audience. While most pop record albums are purchased by teenagers videocassette recorders (VCRs) and prerecorded videocassettes are primarily purchased by adults. One observer suggested music videos would not take off until two and three-VCR homes are common, so that teenagers have their own VCRs to play their own programming! If manufacturers have targeted the wrong audience, most industry insiders acknowledge they've also brought tapes to market too late. A music video tape must be released within 90 days of a song being on top of the popularity charts. But the manufacturers have little control of this—the record labels which control rights still see music videos as merely ancillary to their main music business. Resultant delays in getting out music videos have cut sales. So have prices—short form tapes containing just three or four clips cost between $15 and $20, or twice the average cost of a new record album. With feature film tape prices dropping to less than $30, music videos can look like a very poor bargain indeed. Prices are high because record companies demand large fees to license music clips for home video use. To avoid home taping of new releases the solution may be to produce original programming for the home video market, holding off cable or theatrical distribution until after the tape has had its run in video stores. Some observers feel that the crisis is over—a combination of improving technologies and lower costs is making it likely music videos will occupy a profitable niche for some time to come. (From a feature story in **Electronic Media,** Jan. 20, 1986, pp. 114, 118, 120) ☐

PROGRAMS

Preserving TV's Past

As much as half to three quarters of all television programs from the post-war 1940s and 1960 are believed to be permanently lost—and the same fate could easily befall the hundreds of thousands of hours of television programming that survive. But industry experts are fighting to save from destruction the "nation's collective memory." To do it, they agree, television producers and broadcasters must begin a carefully considered and permanent program of preservation. Much of what has already vanished, particularly from television's early years, was produced and aired live and never recorded in any form. But many programs were saved, either recorded on film or by kinescopes (which filmed from TV receivers during broadcasts), or beginning in the late 1950s, on videotape. As many as 200,000 television program hours are now thought to be held by commercial and public TV networks and syndicators. Not all that was recorded, however, still survives. While all the networks have pursued some degree of preservation (particularly of news material), and program producers and film studios now practice careful conservation techniques to profit from a growing "aftermarket," many broadcast and television entities have allowed salvageable material to fall by the wayside, victim of space construction, the high cost of preservation, degradation of materials, and the temptation to erase and reuse videotapes. (To be continued next issue: from **Broadcasting,** Jan. 27, 1986, p. 119) ☐

CABLE—TV

CNN International in Trouble?

Ted Turner's Cable News Network (CNN was busy in January denying rumors that CNN International, the three-and-a-half-month-old version of the CNN fed to Europe was shutting down. But a spokesperson did confirm that the staff of 46 was cut in half several weeks ago. The remaining staff produces programming aimed at Europe in place of commercials and segments on the domestic CNN feed for which the network lacks European rights. CNN *is* expensive—it must spend $3 million a year for its Intelsat channel alone—and has yet to produce much revenue. Only one European hotel is now subscribing and 15 broadcasters are downlinking the service under a three month trial. (From **Broadcasting,** Jan. 20, 1986, p. 25) ☐

RESEARCH
& Technology

The People Look at Cable TV

Nearly half of those Americans polled in a recent national survey rated the value received from cable television as being "average" while more than 40 percent rated cable's value as "poor." More than 6,000 families across the country were polled for the study, conducted by National Family Opinion Inc. under the sponsorship of the Conference Board, an organization representing large American businesses that is known mainly for its analyses of future economic trends. Given a list of 38 services or products in society, the families were asked to rate the value received for their money when they bought each item as good, average, or poor. Only 12 percent thought cable had "good" value. Items in this list included movies (which came out worse than cable in the rankings), theater, foods, prescription drugs, and appliances, among others. (From **CableVision,** Jan. 6, 1986, p. 26) □

More Talk of a Fourth Network

While the three television networks held affiliate meetings at NATPE (see page one), a panel of independent television executives in an adjacent room agreed that they would probably not be making it a foursome. The panel concluded that if a fourth TV network is created, it would take the form of programming cleared for a particular time period, something akin to the present array of adhoc networks. Panelists said that as the number of independent (non-network-affiliate) stations rose, so too would the production of shows specifically for independents. Major structural problems would have to be worked out for any full-time network. In the meantime, panelists agreed that the greatest opportunity for success with a quasi-network exists first with prime time, followed by late night and then daytime hours. (From **Broadcasting,** Jan. 27, 1986, p. 50) □

Black Soaps, *from page 3*

ment stages, "Heart and Soul" will feature about 32 recurring characters, most of whom will be black. Ralph Andrews, who's co-producing the show with Mr. Simpson, in association with Columbia Pictures Television, says he thinks there's room for the serial since it'll have a specific target audience and appeal. (From **Electronic Media,** Nov. 4, 1985, p. 4) □

Hispanic TV Suffers a Blow

The future of the nation's foremost Spanish-language television station owner was thrown into jeopardy early in January. A Federal Communications Commission (FCC) administrative law judge (a senior agency attorney) denied the license renewals of seven major-market TV stations controlled by Spanish International Communications, as well as the company's three translator licenses, and three low-power TV stations. The decision came about because the judge ruled they are really controlled by Mexican owners and their representatives, thus violating the Communications Act which limits foreign ownership to no more than 20 percent of a broadcasting station's stock. If the ruling stands, it could imperil the effort by SIC, which is closely related to the Spanish International Network, to operate a major Spanish-language service in this country. SIC announced plans to appeal the decision. The FCC judge found that the SIC stations were dependent on foreign subsidiaries, and that the influence, if not the direct ownership, by the Azcarraga family of Mexico City was too strong—such that the SIC operation was "receptive to, and indeed dependent on, influence and direction from non-U.S. citizens and foreign corporations under their control." The FCC investigation has been underway for several years. (From **Electronic Media,** Jan. 13, 1986, pp. 3, 163) □

Roone Arledge

More than any other single person, ABC Television's Roone Arledge is responsible for the look and popularity of televised professional sports in America. Beginning as a sports producer back in 1960, Arledge rapidly rose through ABC ranks based on his hard work and innovative ideas on how to bring sports action into the home. Working with others, Arledge perfected the use of slow-motion cameras to better show important plays, and the "instant replay" of action on the field by use of video tape. He became president of ABC Sports in 1968 and rapidly forged that division into the premier television sports operation. The industry was surprised by the ratings success of ABC's Monday Night Football telecasts of professional teams when sports had been restricted to daytime and weekend periods. In 1977, Arledge was named to head ABC News in addition to his sports duties. He brightened the graphics of TV news and introduced the popular "Nightline" late-night news/interview program with Ted Koppel. Now, Arledge is to concentrate solely on ABC news—an appointment made by the new Capital Cities-ABC management team (see **Update 22,** p. 7 "Profile"). The move may indicate trouble for the sports people as ratings have dropped for professional football—the three networks lost some $50 million on the sport in 1985. Some observers feel the audience has become saturated with TV sports. Meantime, Arledge now moves to develop innovative news formats.

In Profile

UPDATE

Turner Merger Update

Ted Turner's takeover of MGM/UA Entertainment Co. (see **Update 11,** p. 1) has shifted direction several times in recent weeks—and did so again in January as the Atlanta cable television entrepreneur renegotiated his deal downward. The acquisition of MGM by Turner Broadcasting System was restructured to an over of $20 per share from TBS and one share of a new issue of its preferred stock. That represents a significant reduction from the original TBS offer of $29 per share in August which was revised in October down to $25 per share and one share of TBS preferred stock. The new closing date on the deal, which has been delayed twice, is now set for late February or early March. While TBS was saying the value of the deal remained at $1.5 billion, analysts estimated that the cable television company's cash outlay—considered a crucial factor in Turner's ability to complete the deal—would effectively be $266.5 million less under the new terms. But financial analysts also agreed that some divestiture by TBS of its assets beyond the anticipated sale of MGM's United Artists subsidiary would be necessary. One possibility—a purchase by NBC of Turner's CNN news service—fell through several months ago (see **Update 19,** p. 7). So did a more recent tentative deal to sell MGM studio facilities to another company, though those talks have been revived. A key reason for the complicated purchase in the first place is that Turner wants the more than 2,000 MGM films for use on his Atlanta "superstation" which is carried on most cable systems across the country. (Based on a story in **Electronic Media,** Jan. 20, 1986, p. 2) ☐

FEATURES

Booknotes

Television from Analog to Digital by Stan Prentiss (Tab Professional and Reference Books, P.O. Box 40, Blue Ridge Summit, PA 17214—$25.00) is a detailed technical discussion of the ongoing transition from analog to digital signal processing in video. Chapters deal with antennas and transmission lines, the transmission and reception of digital television, tubes and power supplies, tuners, synchronization, video processing, conventional and multichannel sound, cable TV, and earth stations. The 343 pages are illustrated with diagrams and photos.

Minute by Minute by Don Hewitt (Random House, New York, NY 10022—$19.95) is an album from America's most popular news documentary, the *60 Minutes* program on CBS on Sunday evenings. Hewitt, the program's creator and long-term producer, samples interviews and stories from the 18 years of program history. Along the way he provides a basically light approach to the background of the show, how the anchor reporters have been picked and have worked out, and how program ideas are developed.

(these reviews taken from **Communications Booknotes,** January 1986) ☐

1986 WINTER SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (28:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:58 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1358
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(58:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information:

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Arlen Communications, Inc. P.O. Box 40871, Washington, D.C. 20016, USA (telephone 301-656-7940 Telex: 4996981) for **International Videotex Teletext News,** a monthly.

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, N.Y. 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communications Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8245) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M. St. NW, Washington, D.C. 20054, USA (telephone 202-632-7000 for general information) for press releases and texts as cited.

International Thompson Communications Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

National Association of Broadcasters (Research and Planning Department), 1771 N St. N.W., Washington, D.C. 20036, USA (telephone 202-429-5379) for **Broadcast Marketing & Technology News,** a monthly, and other releases and studies as cited.

Phillips Publishing, Inc. 7811 Montrose Rd., Potomac, Md. 20854 USA. (telephone 301-340-2100) for **Satellite News,** and **Telephone News,** weekly newsletters.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies.

Notice

Stories included in* Update *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.

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Telecommunications UPDATE

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TV News and the Shuttle Disaster

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After nearly 25 years of National Aeronautics and Space Administration (NASA) manned space flight without loss of life (in actual flight operations), seven astronauts were killed aboard the Space Shuttle "Challenger" on Tuesday, January 28th. Beginning shortly before noon, Eastern U.S. time, the country and the world watched videotape and live coverage from the Kennedy Space Center at Florida's Cape Canaveral. Whie the national TV networks were not covering the actual launch live (for after 25 Shuttle flights it seemed they had become routine), all three switched to live coverage as soon as it became obvious, barely a minute after the Shuttle left the launch pad, that disaster had occurred. (Although NASA routinely offers what are widely considered the best possible shots of all its launches on Satcome II-R to all takers, Cable News Network (CNN) was the only television operation to cover the launch live and nationally.) For some six hours that afternoon, the networks and CNN scrapped their normal commercially-sponsored programming of serial drama and game shows to cover the unfolding story from Florida. The emotional impact of the explosion was widely felt as the nation identified with the crew members, including the first ordinary citizen to be part of a Shuttle mission, high school teacher Christa McAuliffe. Television coverage on that Tuesday and for several days thereafter (of memorial services and the search for causes of the disaster) was, as ABC's Ted Koppel said "the mechanism by which we begin to vent our grief and our curiosity all at once." In an emotionally difficult time, television news helped bind Americans together. (Some of this material was found in **Broadcasting,** Feb. 3, 1986, pp. 27-29) ☐

SHORT SUBJECTS

Among the members of a Presidentially-appointed commission to investigate the shuttle disaster (see story to the left) is Neil Armstrong, the first man to set foot on the moon, back in 1969.

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President Reagan will nominate Patricia Diaz Dennis, a 39 year old Hispanic from New Mexico, as the fifth member of the Federal Communications Commission.

■

It appears Missouri broadcaster Alfred Sikes will be nominated by President Reagan to become director of the National Telecommunications and Information Administration, the policy and spectrum planning part of the U.S. Department of Commerce.

WORLDNET

(see page 8 for schedule)

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Shuttle Disaster Impact on Satellite Launches

As the initial shock of the Shuttle disaster and its loss of life began to sink in (see page one), communications satellite officials assessed the likely impact of the suspended Shuttle program on launch of future communications satellites. While President Reagan and NASA officials made clear the space program would continue, it was clear that at least several months would be lost before Shuttle launches might resume—and at a reduced pace. For one thing, NASA now has only three Shuttle launch vehicles with the loss of the "Challenger," and that alone indicates a slower schedule of launches when the Shuttle program resumes. For another, only three other countries have satellite launching capability: France (with the commercial Ariane vehicle which is fully scheduled for the next two years), the People's Republic of China, and the Soviet Union. Virtually all American firms with satellites on the Shuttle launch schedule declined comment in the immediate aftermath of the loss of "Challenger," but it appeared some or all would be badly delayed. And, of course, the loss of the shuttle has shaken the already troubled satellite insurance business (see **Update 22,** p. 7). Some observers noted, however, that with the present glut of domestic satellite capacity, most future communication satellite launches are at least a year away anyway.

Medicine by Satellite

In January Intelsat began transmitting free of charge the first in a series of continuing medical education programs to 5,000 physicians in six Latin American and Caribbean countries under the auspices of "Project Share." The first course, on pediatrics, was transmitted from Hollywood Beach, Florida, to 20 sites in the Dominican Republic, Chile, Columbia, Peru, Venezuela, and Costa Rica. The program using one-way video, and two-way audio, made it possible for physicians at the remote sites to participate in question-and-answer sessions. (From **Satellite News,** Feb. 3, 1986, p. 5) ☐

Market for Small Satellite Dishes Falls Short

It has been almost two years since several satellite equipment makers committed to a rapid entry into the small-dish earth station market. (Micros, or very small aperture earth station terminals [VSAT] got their start in the early 1980s as customer premises-based earth stations for large, highly dispersed point-to-multipoint business communications networks. From there the new small-dish market expanded *into new areas, with many* potential customers now requiring more sophisticated interactive equipment capable of both sending and receiving data.) But the expected huge business-oriented market remains a promise unfulfilled as potential customers scrutinize the effectiveness of highly publicized projects. As it appeared the market was going to take off, more and more suppliers looked to get involved, announcing competing systems, and in some cases, forming alliances with other manufacturers. The promise of a big market and the influx of hopeful entrants also led to pricing pressures. However, now it looks like the industry might have peaked too early for its own good according to analysts. Sales are developing at least a year behind initial schedules. The industry set itself up for criticism by predicting low costs and high volume on satellite equipment before products were shipped. As one analyst put it, people were excited in 1984 and disappointed in 1985. Contracts didn't emerge and projects didn't pan out. While most components are in place for many large corporate networks to come on stream in 1986, vendors are now awaiting customer reaction to these "showcase" projects and are planning their marketing strategies accordingly. While the installed base of these interactive satellite terminals is small—only about 1,000 units are now on line—in five years, sales could approach $1 billion based on an estimated 250,000 to 300,000 potential terminal sites. So why is the industry stalled? Part of the problem is the mystery that satellites still hold for many potential users. The industry is also threatened by fiber-optic networks, their biggest potential rival. But many analysts feel such competition may come only around 1990, given the high cost of fiber networks now. The question, then remains—can the 15 or so firms competing in this VSAT market all survive? (From a feature in **Communications-Week,** Jan. 6, 1986, p. C-2) ☐

Cable TV at Sea

Having tackled the technical problems of TV transmission on land, cable is now taking to the high seas in the form of the Shipboard Satellite Network (SSN). The seagoing cable operation, featuring a two-hour package of news, sports, and business programming, made its debut when the Cunard *Queen Elizabeth* 2 passenger liner departed from New York for world cruises on Jan. 15. The first several days of its voyage were a test period preceding initiation of regular service. SSN plans to broaden its appeal beyond the *QE2* test, with intentions to extend the service to 10 or 12 other cruise ships of various companies. Two of those ships targeted for eventual service, the *Nieuw Amsterdam* and the *Liberte,* are already internally equipped for television transmissions. Viewers aboard the *QE2,* however, will have to watch the news in the main lounge. Part of the test was transmission of the American "Superbowl" football game to the *QE2* as the vessel sailed off Peru. Comsat is handling uplinking. Programming will be transmitted to SSN's floating affiliates in a window between 10 pm and midnight each night. Participating companies will buy the shipboard receiving equipment for $100,000 to $120,000 or will lease it from SSN. The shipping lines will then share advertising revenues with SSN from a predictably upscale slate of sponsors. Assuming the initial test is successful, Inmarsat will set tariff rates to permit SSN to sell commercial time. (From **Electronic Media,** Jan. 27, 1986, p. 26) ☐

Consumer Electronics—A Banner Year in 1985

Over 11.8 million videocassette recorders (VCRs) were sold to dealers in 1985, boosted at year's end by a record-breaking 1.9 million unit sales in December alone. The final 1985 figure surpassed industry forecasts by 300,000 units, according to the Electronic Industries Association (EIA) trade group, and showed a 56 percent increase over 1984 unit sales with household penetration approaching 30 percent. EIA now forecasts VCR sales for 1986 of 12.5 million units, with household penetration expected to increase to nearly 40 percent. Color TV receiver sales were also the highest in that product's 32 year history. Nearly 17 million color sets were sold, about 6 percent over 1984 sales. Projection TV sales (these are receivers which project the picture on a large screen rather than a picture tube) were up in 1985 as well, to 266,000 units sold. Among several products on the decline, according to the trade group, were black-and-white TV sets, with sales off 24 percent from the year before, and color video cameras (for use with home videocassette recorders), losing 19 percent in sales to the growing market for combination camera-recorder (camcorder) machines. (From **Broadcasting,** Feb. 3, 1986, p. 63) ☐

Another Domestic Satellite Approach

Multicomm Telecommunications Corp. (MTC) is a developing arm of the huge Michigan-based consumer products company, Amway. Originally developed to distribute signals of the Mutual radio network, MTC is moving into new realms now that Amway has sold Mutual to new owners. MTC comprises a teleport in Virginia, and about 850 data and audio downlinks throughout the country. Multicomm is providing a less expensive alternative to electronic mail, overnight delivery services and more conventional satellite-based data distribution networks when it is used to reach more than 30 sites at a time. Multicomm is offered via FM subcarriers (a subaural use of FM broadcast station transmitters) in 80 markets and can be provided anywhere by installation of a satellite earth station. Ten customers are using the service which was first made available in October. MTC is said to be a year ahead of any competitors in providing a nationwide service via FM subcarrier which does away with the need for users to purchase their own earth stations. (From **CommunicationsWeek,** Feb. 3, 1986, p. 15) ☐

REGULATION

Can the U.S. Export Deregulation? . . .

That was the essential question discussed during a day-long seminar of government and private industry officials from the U.S. and abroad in Washington at the end of January. The focus of the meeting attended by some 200 persons was on the North Atlantic Region and use of satellite and undersea cable means of delivery. Throughout the day, reference was made to changing technology as the driving force pushing deregulation here—and eventually in other countries. For example, the greatly expanded capacity to be made available when fiber optic undersea cables are installed late in the 1980s was cited as an indication that greater choice among delivery channels would ease costs and regulatory limits on telecommunication users. A National Aeronautics and Space Administration (NASA) official suggested that while the number of satellite transponders is not likely to increase much in the next decade, there will be a substantial increase after 1995. Further, said NASA communications division director Robert Lovell, development of satellites with onboard switching systems and inter-satellite laser links could result in world-wide calling at no more than 10 cents per minute. But all was not rosy at the meeting. As might be expected, officials of both Intelsat and Inmarsat urged caution on a general embrace of the benefits of competition on the international market. Those two world-wide systems have worked wonderfully well, it was pointed out because of widespread cooperation. Competition on some routes or services could undo much of the good done thus far. The meeting provided a useful cross-section of the very arguments now going on in business and government both here and abroad on how best to accommodate new technological options, the potential for substantial profits, and the need to protect other countries or international entities not quite ready to rush headlong into a market-defined communications scene. (Based on your editor's attendance at the seminar.)

. . .Yes, Says an OPP Report

International communications facilities should be deregulated a study by the Federal Communications Commission (FCC) Office of Plans and Policy (OPP) has concluded. The report recommended that AT&T Communications no longer be forced to split its international telephone traffic between cable and satellite facilities. Further AT&T, Communications Satellite Corp. (Comsat) and other international carriers should be relieved of rules mandating their rate of return, the OPP recommended. OPP is the FCC's in-house think tank whose views do not necessarily reflect agency policy. With the advent of transoceanic fiber-optic cables in 1988, the economic advantage of international satellites is going to diminish, the report pointed out. But a key U.S. Senate committee staff member, in commenting on the report, said Intelsat will have problems attracting traffic to its world-wide satellite network if the FCC eliminates traffic allocations or "loading" requirements. Noting

(continued on page 6)

All the Weather, All the Time

The basic cable network service known as The Weather Channel (TWC) will cross the dual threshold of 2,000 systems and 20 million homes reached by February. Viewed from its Atlanta headquarters in an industrial park complex, TWC is a combination of high technology visual presentation, low overhead costs, and personable meteorologists serving up weather forecasts around the clock. Twenty-six anchor people produce and present information in half-hour shifts, delivering national weather conditions, temperatures and specialized weather features with the aid of computer-generated maps and charts. Using the vertical blanking interval (that black bar between pictures that shows up when a TV picture rolls) on a Satcom III-R transponder, Weather STAR sends a text update of local forecasts over the network every five minutes. Cable systems can carry this if they like. The system can also interrupt TWC's video to provide special emergency information and travel advisories to regions affected by major storms. When the format shifts to ongoing coverage of a major event like a hurricane, ratings take an average three or four-fold jump over normal levels. The network is about half supported by per-subscriber fees paid by local cable systems, and half from advertising carried on TWC. (From **CableVision,** Feb. 3, 1986, pp. 24, 26) ☐

Merger Outlook for 1986

Given the unprecented financial upheavals that shook the broadcasting industry last year (see almost any previous issue of **Update** for examples), what lies in store for the electronic media in 1986? More of the same, according to many analysts. Said one, "There's going to be more intense competition for market share because the people who invested in stations and companies in 1985 will want to see an immediate return on their investment as they begin paying off their hefty debts in 1986." Said another: "Public companies like Viacom, Time, Taft, Gannett and CBS still need to be very wary of hostile takeovers. Their stock values are still a long way off from reflecting their liquidation values." And a third agreed, predicting that the sales and mergers and takeovers would continue "as long as the public prices of companies trail private values" or what analysts think a firm may be worth if broken up and sold piecemeal. A network official with CBS noted the economic downturn in the industry, and suggested the reductions in cash flow might result in a lower number of acquisitions. But then all three networks are tightening their financial belts, ABC and NBC because of ownership changes (see **Update 1,** p. 1, and **Update 20,** p. 1), and CBS because of costs incurred fighting off a possible change (see **Update 10,** p. 5). Still, many experts are predicting that generally the frenetic buying and selling of TV stations will continue unfettered by the highly leveraged events of the past year or by a sluggish economy. (From **Electronic Media,** Jan. 13, 1986, p. 86) □

PROGRAMS

Preserving TV's Past

(Editor's note: This is the continuation of a story begun in ***Update 23,*** p. 5)

Among the first steps to be taken by the National Center for Film and Video Preservation to curb the further loss of large quantities of potentially valuable television footage was a request of industry members for a two-year moratorium on the destruction of entertainment programming and news tape or film. The moratorium proposal sent to more than 60 television production companies and broadcast groups, would provide time to develop standards about programming that can and should ultimately be saved. The three national networks and several group owners have already agreed to abide with the moratorium. Developing the guidelines will be hard—for as one curator noted, historians know history is a series of accidents and what we save of it is a series of accidents as well. One critical ingredient of the Center's work is the long-term development of a computerized catalog of all existing television programs. It is envisioned as a 10-25 year project to create an on-line, complete catalog of all preserved film and television. The Center will also work to develop agreements between makers and holders of useful news and entertainment videotape, and private or public archives willing to preserve the material. (From **Broadcasting,** Jan. 27, 1986, p. 119) □

CABLE—TV

Pay Cable: Limited Gains

Despite the often expressed view that 1985 was a very bad year for cable services, Home Box Office (HBO) and Cinemax, both owned by Time Inc., gained in total audience penetration last year. HBO picked up about 100,000 paying customers in 1985, finishing the year with 14.6 million subscribers. Cinemax's penetration was up 400,000 from the end of 1984, for a total of 3.7 million homes. HBO's schedule, revamped heavily early in 1985, is now about 60 percent theatrical films, as opposed to 75 percent a few years ago. HBO now averages more than 100 separate programs monthly, compared to about 80 earlier in 1985. Sports content is up, too—HBO carried more than 50 sports events or series. The new mix of major promotional marketing to tout these changes, plus the increased original programming, is costly, but helps to separate pay cable offerings from material than can be rented for showing on home video recorders. (From **CableVision,** Feb. 3, 1986, p. 11) □

RESEARCH
& Technology

Video Public Relations

As video press releases increasingly find their way into TV newscasts, the public relations professionals who originate them are proceeding with extreme caution. Reportedly happy with the results they're getting thus far, they don't want to rock the boat by overwhelming stations with an annoying abundance of material or by sending video clips that look more like commercials than news. Few stations appear to have policies prohibiting use of such material—unless they can obtain coverage or pictures on their own. Research undertaken by advertising and PR agencies shows that their material is used anywhere from 25 to 50 percent of the time on the stations to which it is sent. Sometimes the material is in cassette form, sometimes satellite-distributed in the case of especially newsworthy items. In many cases, stations use material when it is the only pictorial coverage of something newsworthy that is available. Most video PR releases are 90 seconds long, with the voiceover narration on a separate channel so the station can use their own announcer. (From **Television/Radio Age,** Jan. 20, 1986, pp 31-33, 71-75) ☐

One View of Satellite News Gathering

The founder of Conus Communications said the Ku-band satellite news gathering (SNG—see **Update 18,** p. 4) consortium gives television stations that belong to it the ability to chase down breaking news anywhere in the country and to call the shots in deciding what stories to cover and how to cover them. Stanley Hubbard said the Ku-band SNG vans of the Conus stations "can go virtually anywhere on the North American continent" and beam live pictures to any members of the consortium. Before the advent of Ku-band satellites, said Hubbard, TV stations "had to rely on the networks to get any kind of coverage outside their own markets." Conus stations can react more quickly to news events. He cited the example of an oil rig that tipped over in Mississippi last year. The Conus-affiliated station "was on the air, live, feeding the Conus stations while the networks were scrambling around trying to figure out what to do." Hubbard also argued that this coopertive news gathering approach through satellite distribution would decentralize news choices from New York and Washington network offices to individual stations. (From **Broadcasting,** Feb. 3, 1986, p. 55) ☐

VCR Meets PPV

Partially in response to cable television's growing pay-per-view movement (PPV—see **Update 22,** p. 1), National Video, Inc., the nation's largest franchiser of video stores with 650 units, has begun an experiment dubbed "pay per transaction." Video stores rent pre-recorded videocassettes, usually feature films, for home consumer viewing. Under the new two-pronged idea, a studio would supply the video store with new releases at $6.00 a copy. The store would rent them at its normal rate (typically $1 or $2 a night) and split the rental 50-50 with the studio. The idea would be to be able to afford to have enough copies of popular titles to satisfy customer demand. The second part of the plan would be to get popular titles into video stores as much as two months earlier than present distribution channels. Besides acknowledging the pressure from the new PPV services, National Video has predicted that at least 5,000 video stores will fail this year due to declining revenues caused, in part, by price markdowns because of competitive pressure. (From **CableVision,** Jan. 27, 1986, p. 16) ☐

FCC Report, *from page 4*

that AT&T had a natural bias to use the cable facilities it owned, rather than leasing capacity from Comsat because of the FCC loading requirements, the OPP report noted a sudden end of these requirements might result in Comsat losing substantial traffic and revenue. Until recently, traffic has been allocated on a 50-50 basis between cables and satellites. (From **CommunicationsWeek,** Feb. 3, 1986, p. 31) ☐

Martin Rubenstein

On the last day of January, former commercial broadcast executive Martin Rubenstein was selected as the new president of the Corporation for Public Broadcasting (CPB). The Brooklyn, New York native holds a law degree from Columbia University. He spent 17 years with the ABC commercial network, becoming a high official with the network's news operation. From 1978 through 1984, Rubenstein was president of the Mutual radio network. He has served since as a communications consultant. He takes over the top administrative spot in CPB as public (noncommercial) radio and television stations face increasing problems of finance and direction. CPB itself is torn by strong disagreements over basic policy (which contributed to the departure of Rubenstein's predecesor eight months ago) as it continues its role of intermediary between federal funding (money provided from Congress for noncommercial broadcasting) and the noncommercial or "public" radio and TV stations and networks supported, in part, by CPB. (Editor's note: The word "corporation" in CPB's title suggests a regular American business firm, but in this case, CPB acts as more as a national spokesman and administrative unit for the noncommercial operations, and has no "product" or "service" itself.)☐

In Profile

UPDATE

The End of STV

With the Washington D.C. station converting to commercial operation at the end of February 1986, the number of subscription television (STV) stations providing a channel of pay programming over the air has dwindled to only two—a station in Baltimore, and an operation in Minnesota. STV operations, first proposed in the 1940s but only approved by the Federal Communications Commission in 1968 (and then with severe legal limitations imposed) only began service in the late 1970s. At their height in September 1982, they reached 1.4 million subscribers, served from about 25 stations. Now, fewer than 25,000 people get their pay TV service via the last of the STV stations, all of which are expected to change to full-time commercial operation soon. And the reason for this demise? Simply that nearly half the country can now subscribe to cable television which carries the option of several channels of pay material for nearly the same price as the single STV channel. Thus it appears STV has served out an interim role of providing

(continued on page 8)

And, on the "Scrambling" Front

After yet another postponement, Showtime/The Movie Channel, the second-largest of the pay cable networks, began late in January to scramble the Eastern time zone satellite feeds of its services, with West Coast feeds following in mid-February. If all goes well, the plan is to scramble the signals for the whole country by May. Like other cable operators (see **Update 22,** p. 6), Showtime/The Move Channel is using M/A-Com's "Videocypher II scrambling system which permits transmission of stereo TV sound. (From **Broadcasting,** Feb. 3, 1986, p. 10) ☐

FEATURES

Booknotes

Mass Media Law and Regulation by William E. Francois (John Wiley & Co., 605 Third Ave., New York, NY 10016) is the latest edition of a standard American textbook on media regulation. Written more for broadcasters and journalists than lawyers, the 665 pages detail the basis and practicalities of the government-media relationship as it has developed and is presently seen here. Thus, you can read how U.S. courts treat such tricky issues as privacy and libel, as well as how our Constitution's First Amendment protects media from government interference. Francois also covers economic and structural regulation, such as limits on media ownership.

Telecommunications Systems and Services Directory edited by Martin Connors (Gale Research, Book Tower, Detroit, MI 48226—$240.00) is an expensive but highly useful annotated directory of major companies, service firms, consultants, and publications on all aspects of telecommunications in the U.S. To be regularly updated, the 940 pages with some 2,000 entries provides a good cross-section of the current status of important "players" in this fast-changing field. There are very good indexes by function and service as well as location of the company, personal names, and a master index. There is no other guide like this.

(reviews from **Communication Booknotes,** January 1986) ☐

1986 WINTER SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (29:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC)					
	(35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, N.Y. 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA (telephone 301-340-2100) for **Satellite News,** a weekly newsletter.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies. ☐

End of STV, *from page 7*

advertising-free movies and special events for customers awaiting arrival of cable television service. (Based in part on a short item in **Broadcasting,** Feb. 3, 1986, p. 7) ☐

Notice

*Stories included in **Update** are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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ABC After Cap[illegible] Cities: Two Aspects

(*Editors note:* At the beginning of the year, Capital Cities took over the ABC radio and television networks. In recent issues, for example **Update 22,** pp. 6 and 7, we have reported some of the specifics and impact of that deal. Here are two stories which exemplify different aspects of the take-over's effect.)

By Fall, ABC News will dramatically increase the number of regular and special programming efforts it produces. For example, ABC News will probably produce a second, highly specialized weekly news magazine for fall that could be slotted early in the evening, against strong entertainment shows. Well-placed ABC News sources also say the network could as much as double the number of hours of periodic news specials now produced for all times of the day. Also within the next year, ABC News may launch a weekly business news series that could be paired with "This Week with David Brinkley," its popular Sunday morning news interview offering. News executives say ABC News will flourish despite what will otherwise be a difficult transition period for the newly merged Capital Cities/ABC Inc. For one thing, Cap Cities management has expressed open support for news and information programming. For another, ABC may use news programs to replace weak entertainment shows while the network takes the year or more required to build popular shows. Further, news can bring in substantial revenue while holding down its own costs. ABC has reshown some of its news specials, bringing it additional advertising revenue at no increase in program cost. . . . Meanwhile, Capital Cities/ABC Inc. officials say personnel layoffs could begin on a broad scale in coming weeks. Despite speculation to the contrary, however, they deny there's any firm deadline for carrying out these

(continued on page 7)

SHORT SUBJECTS

- **Landmark. . .** just three decades ago, Ampex Corp. announced the first successful video tape machine for use by networks and television stations. The machine, which used two-inch tape, was first used by CBS in November that year for the network's evening newscast. Now comes news that the head of the team that developed the machine, Charles Ginsberg, is retiring. . .

■

- **Moveable video. . .** spurred by the need to find new markets for its products, Cable News Network (CNN) is talking to Delta Airlines and Amtrack (the passenger train operating agency) about carrying its programming on planes and trains. . .

■

- **No lines?. . .** the Satellite Shipboard Network (see **Update 24,** p. 4) now plans to test automatic bank teller machines on cruise ships. . .

WORLDNET

(see page 8 for schedule)

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IA 1.16/2:

A Revitalized Satellite Market?

Ford Aerospace Satellite Services feels transponder demand through 1995 will grow at an average rate of at least 11 percent in a market that is shifting from a buyer's to a seller's. Alan Parker, chairman of the firm, noted most users are unconvinced that higher transponder prices are inevitable or that the recent overcapacity and choice of in-orbit transponders will soon end. He said that behind the scenes studies "suggest a curious situation of a business continuing to grow while the public perception is of a business in collapse." Surplus capacity is decreasing steadily despite the impression of a glut with supply/demand at the end of 1985 showing unsold transponders at about 20 percent, down from 40 percent in 1982, despite a doubling of transponders in orbit. Further demand has been growing at an average annual rate of more than 30 percent per year. From 1979 to 1982, numerous satellite construction contracts were signed, resulting in the launch of most of those satellites in the last two years in a market where demand didn't jump as expected. Result: delayed new starts with only four domestic satellite contracts since 1982—three RCA and one SBS, all in the ku-Band. The most important factor contributing to this change is poor projections for transponder demand for the mid-'80s. Reduced demand was affected by low usage by the cable industry, teleconferencing and common carriers. The growth of cable television experienced a slowdown resulting from a shortage of quality programming and the inability of operators to readily add new systems and expand old ones. Videoconferencing developed much more slowly than expected partly because of improvements in signal processing giving good images with a fraction of a transponder. Another major factor is the escalating costs of placing satellites in orbit. Insurance rates have increased at least sixfold from the early 1980s (see **Update 18,** p. 2). Additionally, the cost of launches will almost double from around $13,000 per kilo in 1982-85 to a projected $22,000 per kilo in 1989. For users, this all means higher prices for future transponders. (From **Satellite News,** Feb. 10, 1986, p. 4) ☐

Intelsat and the Shuttle

In a brief ceremony seen as an endorsement of Intelsat and a vote of confidence in the National Aeronautics and Space Administration (NASA), officials of those two organizations signed a $180 million contract February 13, under which NASA space shuttles are to launch three Intelsat VI satellites over the next five years. Both parties expressed the need to press on despite the recent disaster in which the shuttle blew up, killing seven astronauts aboard (see **Update 24,** p. 1). Intelsat noted in addition that the signing helped provide a contrast between it and the U.S. companies that are proposing to establish separate satellite systems—for none of them have yet secured a foreign partner, a necessary prerequisite to coordinating their proposals with Intelsat (see **Update 10,** p. 1). Two other Intelsat VI satellites will be launched by the European Ariane 4 rocket. The new Intelsat satellites will be the largest and most sophisticated ever launched. They will carry 30,000 two-way telephone circuits and two television channels using the 6.4 GHz and 14/11 GHz bands. Intelsat has been NASA's biggest and oldest customer for satellite launch services, dating from Early Bird in 1965. Thus far, Intelsat has spent $1.2 billion with the U.S. space agency for 37 of the 39 launches for which it has contracted over the 22 years of Intelsat's existence. (From **Broadcasting,** Feb. 17, 1986, p. 97) ☐

New Videotex Venture

Nynex Corp., Citicorp, and RCA Corp. revealed plans early in February for a joint-venture company to research market potential and develop technologies to support videotex communications services. As yet unnamed, the new venture will be headquartered in the New York area. Nynex, the regional telephone holding company in New York and New England, Citicorp, the large bank holding company, and RCA released few details about the new venture, including the amount of start-up funding each would provide, as well as projected employment. Published reports suggested initial funding would be $100 million. If the companies decide to launch videotex services, transmission would likely be over the telephone network. RCA would contribute specialized videotex equipment, such as TV sets that support videotex transmissions or videotex terminals, for use in offices and homes. Citicorp adds its expertise in banking for financial applications to be available as videotex services. Nynex cannot provide enhanced services such as videotex over the core telephone network because of restrictions placed on the company by a 1980 FCC decision. A Nynex spokesman emphasized that the start-up is, at this point, a research and development venture. According to the spokesman, Nynex officials remain undaunted by the apparent lukewarm reception videotex services have received in the U.S. so far. (From **CommunicationsWeek,** Feb. 17, 1986, p. 4) ☐

Digital Graphics on TV

Where better should the boundaries of special effects video and creativity be stretched but in the science-fiction television drama, "The Twilight Zone." The writers' fantasies are turned to reality on the television screen every Friday night by the Post Group, a Hollywood post-production house specializing in computer graphics and video special effects. By creating the special effects in video rather than film, the group and the program enjoy all the advantages of video technology. They don't have to send film out for lab processing. They don't need optical printers. The results are instantaneous. Several versions can be done at once, giving the show's producers a choice. Said one of the video wizards "We're not using effects to call attention to ourselves. Ours are designed to advance the story line. We use illusion. We have to make credible what the viewers know is impossible." The work is done with computers and specially-developed software programs. One spaceship effect which lasted five seconds on the screen took a month to create. (From **Electronic Media,** Feb. 17, 1986, p. 34) ☐

CBS Moves Toward TV Stereo

At least three CBS-owned television stations, and more than 26 network affiliates aired—in stereo—CBS Television's live broadcast of the "Grammy" Award show honoring popular music stars. The CBS move to stereo represents a rapid acceleration for the network, which until last month had been saying that the planned conversion to stereo with regular programming would not take place until 1988. The hastening of the process to provide stereo capability beginning with the Grammys reportedly came, in large part, as the result of queries on network plans from affiliates. The network's most critical consideration is to maintain "stereo phase" on the signal to prevent possible cancellation of the audio in its mono version. Full stereo upgrades of the network's New York and Los Angeles broadcasting centers would cost as much as $20 million. ABC, NBC and PBS have also all made efforts to develop stereo programming and encourage affiliate station conversion to the service, although consumer electronics industry figures so far show that fewer than two million stereo-ready TV receivers have been sold to viewers, along with several million stereo-adaptable sets. (From **Broadcasting,** Feb. 24, 1986, p. 54) ☐

An End . . .and a Beginning

(Editor's note: There has been considerable talk in recent months that the path to success in cable television is through provision of programming rather than operation of a network. Here is a recent example of this.) The Modern Satellite Network (MSN) has ceased operation and will move its programming to Financial News Network (FNN) and The Learning Channel (TLC). MSN, a St. Petersburg, Florida-based cable network with 10.5 million subscribers when it went dark at the end of 1985 is now a program supplier to FNN and TLC under the name of Modern Satellite Service. The owners do not feel the network failed as it was profitable, and had been since its beginning in January 1979. But the new approach to program distribution will better meet the needs of the programs' underwriters which include AT&T and General Motors. Use of FNN and TLC will provide more targeted audiences for the informational programs. TLC is

(continued on page 6)

REGULATION

Planning for a Wider AM Band

U.S. officials from the Federal Communications Commission (FCC) and the State Department are working their way through the capital cities of five Latin American countries. Along with others soon to join them, they are taking soundings to aid the U.S. in its preparations for an International Telecommunication Union (ITU) Region 2 conference that is to begin planning the use of 100 kHz of spectrum that has been added to the AM radio broadcasting band in the Western Hemisphere. Thus far, at least, officials say they do not expect the session, scheduled in Geneva for April 14–May 2, to develop the kind of controversy that has occurred at other ITU-sponsored conferences in recent years (see **Update 14,** p. 1). But they also say they will not have a solid estimate of the conference's likely course until perhaps March. The 100 kHz are a "gift" of the ITU's General World Administrative Radio Conference of 1979 and were tacked on to the upper end of the AM band that now runs from 530 to 1605 khz. How many new stations the expansion will accommodate in the U.S. depends on the power limits and other technical parameters that are to be adopted. Some say hundreds more. The U.S. has completed much of its preparatory work for what will be the first ITU session—which is to lay the groundwork and establish the principles of the plan that will be implemented in a concluding session to be held in 1988. Last December it submitted to ITU headquarters in Geneva the proposals that had been adopted by the FCC. Essentially, they would extend to the new section of the band the same technical parameters of the existing band. The U.S. does not see other countries raising serious arguments about that portion of its proposals. But the U.S. has yet to develop proposals in connection with two principal issues. One involves the planning method it will propose, the other the maximum power to be allowed. The choice of the former will be between an assignment method, similar to that now employed in the U.S. apportioning the AM band and adopted by the regional ITU meeting held in Rio de Janeiro in 1981 for use throughout the Western Hemisphere, and an allotment method. Under the first approach, countries would attempt to determine in advance where they intend to locate stations, on what frequency and at what power, and then resolve among themselves any incompatibilties that result. Under allotment planning, which is used in other services, a frequency would be designated for a given area, along with the protection to be afforded stations in the allotment area. U.S. officials decline to specify which method the U.S. is likely to favor. As for maximum power the U.S. will propose for inclusion in the plan, most discussion centers on 5 or 10 kw. (From **Broadcasting,** Feb. 10, 1986, pp. 68-69) ☐

RCA Okays GE Merger

RCA Chairman Thornton Bradshaw faced a barrage of angry and sentimental complaints early in February, mostly from small shareholders, as stockholders met in New York to vote on RCA's proposed merger acquisition by General Electric (see **Update 20,** p. 1). The $6.28 billion merger was approved with nearly 62 percent voting in favor, about 5 percent against, and the remainder either abstaining or otherwise not voting. Separately, RCA and GE asked the Federal Communications Commission to approve the transfer of RCA's television and radio licenses to GE. (Editor's note: Here in Washington, where RCA owns a major NBC television station, announcements began to appear at breaks between programs throughout the schedule telling listeners they had a right to comment upon the proposed ownership switch by writing the station or the FCC.) The 3½-hour shareholder meeting often took on the aspect of a three-ring circus, with booing, shouted insults and several motions to adjourn. Some dissidents evoked the memory of David Sarnoff, the company's long-time leader, and accused the directors of selling out and railroading the deal through. The shareholders' biggest complaint—other than the sentimental one of seeing the RCA name die—was the all-cash nature of the deal, which will leave many of them with high capital-gains taxes. Many shareholders said they would have preferred a stock trade. GE originally offered $61 a share; the actual price under the final agreement is $66.50. (From **Electronic Media,** Feb. 17, 1986, p. 2) ☐

ABC Shows on Home Video

ABC announced in January an agreement that will make it the first network to regularly distribute its own news, sports and entertainment programming on videocassette for the home consumer market. As part of a three year joint venture with a Connecticut company, ABC Video Enterprises will repackage compilations of film and tape footage from archives of its own programming. Broadcasts for anthology use would include "ABC's Wide World of Sports," the late-night news program "Nightline," the weekly news magazine "20/20," and the "ABC Afterschool Specials" dramatic programs. Most of the entertainment programs ABC and the other networks air are produced by outside companies that own the rights to further distribution, so they are not included in this new plan. The network explained that they had waited so long before entering this kind of joint venture because the home videocassette market was almost entirely film-driven. Now, with plenty of film material stocked, interest is rising in other material. The network plans to release as many as a dozen projects through various retail outlets the first year, ranging from half-hour tapes priced under $15.00 to multi-tape collections of several hours. ABC and Vestron, the Connecticut partner and the country's largest independent videocassette distributor, hope to begin distribution in the second half of the year. (From **Electronic Media,** Feb. 10, 1986, p. 40) ☐

PROGRAMS

Senators hold "Town Meeting" via Cable

Although the proceedings of the United States Senate are not yet open to television coverage (coverage has just been approved and will join the House of Representatives which *is* covered by television), individual senators are discovering that cable television can be a viable tool to increase their visibility in their home states. The Senate Republican Conference last month began a series of cablecast "Town Meetings," linking a senator in Washington, DC to cable subscribers in his state by means of a statewide cable network. The live, half-hour programs feature a toll-free telephone number which constituents can call to question the legislator about specific issues. The programs originate from the Republican Conference's newly built broadcast studio, and are sent by microwave to nearby Virginia to be uplinked to a satellite for distribution. Participating cable systems pick up the feed for free, and run the programs on a public access or local origination channel. Conference officials claimed that political cablecasting, utilizing cable's access feature, represents a low-cost vehicle for senators to interact with voters. Since the senators use existing facilities, the only additional cost is up to $450 to lease a half-hour of transponder time. For most senators, that is cheaper than air fare home and back to Washington. (From **CableVision,** Feb. 17, 1986, p. 26) ☐

CABLE—TV

Will HBO's "Festival" Work?

Cable operators are registering a cautious, wait-and-see attitude toward Home Box Office's (HBO) move to launch Festival, a new pay network aimed at older viewers (see **Update 18,** p. 5). HBO is still in the process of determining locations for test-marketing the new service. HBO expects the test to involve as many as 20 systems during the next year to see if there is a market. And that is precisely what cautious programmers at cable systems want to determine before they provide a channel for another pay service. With Festival, HBO says it wants to attract an older audience not now drawn to pay TV or cable, along with viewers who don't enjoy Hollywood movies aimed at younger audiences. (From **Electronic Media,** Feb. 17, 1986, p. 4) ☐

RESEARCH
& Technology

People Meter Race Heats Up

The A.C. Nielsen Co. and AGB Television Research appear to be running a close heat in the race to develop a new kind of audience ratings—the people meter (see **Update 3,** p. 5, and **Update 8,** p. 4)—but it seems unlikely that both will be operating a national service several years down the road. While both networks and agencies want people meter research which tells more about who is watching, the general indication is that most would support only one such service over the long haul, in part because of the costs involved. While AGB is the more dynamic force in driving the marketplace toward the new people meter device and away from current written diary or TV set meters, Nielsen's long experience as a national service in this country (since 1950) appears to give it the inside track for survival. Both firms now plan a September 1987 national start-up date and are busily signing up initial clients. Both plan to use samples of about 5,000 homes (some 13,000 people of all ages) to develop national network television ratings. (Based on a feature story in **Television/Radio Age,** Feb. 17, 1986, beginning on p. 33) ☐

Disney Channel Grows

The Disney Channel, a pay cable service delivered by satellite, was easily the fastest growing major pay channel last year, adding more than 750,000 subscribers for a total at year-end of about 2.5 million homes. John Cooke, president, attributed much of the gain to a pair of high-profile marketing campaigns launched in September and December. In September, viewers could tune in to the channel for a weekend free of charge, while in December, Disney touted the channel as a perfect Christmas gift. Cooke asserted he expected Disney to eventually catch up with the 5.4 million subscribers to Showtime, the second largest movie pay service. Although Disney has been labelled a children's channel, Cooke said the service would continue to expand into programming that would appeal to the whole family, including classic films and first-run situation comedies (several to be launched in 1986). The channel now provides about 80 percent material not found on other pay channels. The Disney Channel began in April 1983 with only 40,000 subscribers. (From **CableVision,** Feb. 10, 1986, p. 12) ☐

International Music Video

As part of an upgraded interest in series programming, MTV, the music video network (see **Update 23,** p. 4) will initiate *MTV International Hour* in June, a monthly series featuring music videos from all over the world. The bulk of the videos would probably come from such heavy producers as Australia, Germany and Japan, but the show would not hesitate to show another act deserving of greater exposure. MTV now has about 30 world videos and is actively seeking a much larger library. The program will debut a couple of months before MTV's fifth anniversary, and will be a part of a larger plan to devote considerably more airtime to new series programming. There will be about 10 videos per monthly program with plans to go weekly as soon as sufficient material is gathered. (From **CableVision,** Feb. 10, 1986, p. 28) ☐

An End . . . and a Beginning, *from page 3*

an educational cable service based in Washington and serving some 6.5 million subscribers. FNN, a Santa Monica, California-based financial news and sports network has 20 million subscribers. The transponder time once used by the Modern Satellite Network has been subleased to the Home Shopping Network, a shop-at-home program that allows viewers to order products by calling an 800 (toll-free to caller) telephone number. (From **Electronic Media,** Feb. 3, 1986, p. 15) ☐

In Profile

Richard R. Colino

For just over two years, an American has been Director General of Intelsat, the world-wide consortium which since 1964 has operated international satellite communication systems. Richard Colino came to his task as Intelsat's second Director General with extensive background. After earning a law degree at Columbia University, Colino became an attorney at the Federal Communications Commission in the early 1960s, serving on delegations which helped to form Intelsat. He then moved on to Comsat, the American member of Intelsat, playing a key role in developing the definitive arrangements which brought Intelsat to its modern form in 1973. After 14 years with Comsat (the last as head of what is now the World Systems Division), Colino moved into international satellite consulting. As Director General, he has guided Intelsat's move into a more competitive and complicated world in the past, and can work best in the future if allowed to meet the marketplace on its own terms. He faces competition from fiber cables in the Atlantic by the end of the decade, as well as American satellite carriers desiring to begin trans-Atlantic service. That competition and Colino's direction have increased innovation at and user responsiveness by Intelsat, an organization felt by many around the world to be one of the most successful examples of international cooperation. ☐

Scrambling to Undo Scrambling

The backyard TV receive-only (TVRO) antenna industry association SPACE has launched its anticipated string of legal actions against scrambling of satellite-delivered cable signals. Sources predict that SPACE will file a number of lawsuits challenging the scrambling plans of programmers and cable operators now that their winter convention is concluded. The legal arguments will center on the First Amendment rights (to the U.S. Constitution—they guarantee freedom of speech and of the press) of members of the public who own or use satellite earth stations to receive video programming. According to SPACE, the Federal Communications Commission (FCC) has an obligation to protect these viewing rights. One early target is the CBS network which has said it will scramble its network feed later this year and currently has no plans to sell that programming to backyard dish users. The network has, however, established a taskforce to examine the use of translator and repeater stations to extend the network signal to the estimated 400,000 homes which cannot now receive CBS from an over-the-air affiliate station. CBS claims that most of the complaints it has received about the impending scrambling come from TVRO users in an area served by a CBS affiliate. (From **CableVision,** Feb 17, 1986, p. 12) ☐

ABC, *from p. 1*

layoffs. Much of the consolidation of redundant functions within the companies is taking place in finance-related areas. Some industry observers believe heavy staff cuts eventually will be necessary to offset the company's financial woes and what continues to be a formidable, well-paid management hierarchy. Cap Cities recently finished appointing more than one dozen top-level executives. (From two stories in **Electronic Media,** Feb. 17, 1986, pp. 3, 33) ☐

FEATURES

Booknotes

The Computer Security Handbook by Richard H. Baker (TAB Books, P.O. Box 40, Blue Ridge Summit, PA 17214—$25.00) is a recent example of a relatively new kind of communication literature: how-to guides for maintaining secure computer and telecommunication links. The author, a technical freelance writer, provides 20 chapters in 280 pages on such topics as controlling physical access to computers, securing the data network, meeting legal obligations, use of passwords, how to verify authorized users, a system of network security, and the like. The reading should prove useful to both government and private sector computer users.

Media Gratifications Research: Current Perspectives edited by Karl Rosengren, et al. (Sage Publications, 275 South Beverly Drive, Beverly Hills, CA 90212—$25.00) offers a collection of 15 original scholarly essays on one of the most important audience research trends in recent years—finding out what uses and gratifications the audience gets from mass media. In sometimes complicated theoretical studies, we learn what researchers have found out in the past five to ten years about *why* we use media for news and entertainment, and *what* gratifications result. It is useful to remember that no matter how much time has been spent with all media, we still have much to learn about what that time may mean in the long run.

1986 WINTER SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (29:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, IL 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, CO 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854, USA (telephone 301-240-2100) for **Satellite News,** a weekly newsletter.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies.

Notice

Stories included in ***Update*** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

Number 26 Washington, DC 20547

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U.S. Senate to Be Televised

The United States Senate, the upper house of Congress, agreed late in February to open its chambers for the first time to live television and radio coverage. Gavel-to-gavel coverage was approved by a 67-21 vote and will be allowed first on a test basis, then reconsidered next summer as a permanent arrangement. The move to allow television cameras and microphones to operate on the floor of the Senate, sought by proponents since at least the mid-1970s, came several weeks after consideration of the specific measure began. Radio coverage available to the public began early in March while closed-circuit TV will begin by May 1 at the latest, with unrestricted TV coverage from June 1 to July 15. Any accredited newsgathering organization may pick up either the audio or video feeds. C-Span, the satellite-delivered cable public affairs network that already carries U.S. House of Representative proceedings to approximately 23 million households, has said it will provide Senate coverage as soon as it begins. The Senate itself will control the cameras and allow news entities to use what they like—much as now happens with the House of Representatives. (From **Broadcasting,** March 3, 1986, pp. 35-36)☐

Everybody's Talking . . .

. . . But are most people listening? Mergers that are on everyone's lips within the communications industry hardly get a nod of recognition from the everyday consumer. According to a national study by R.H. Bruskin Associates, only 16 percent of the general public knew that General Electric is acquiring RCA—and only a quarter of those with incomes $40,000 and over (see **Update 20,** p. 1). In fact, only 3 percent of the general public knew what company had acquired American Broadcasting Companies, with 6 percent of the higher income group correctly naming Capital Cities Communications when asked the name

(continued on page 6)

SHORT SUBJECTS

Lots of choice . . . as of late February, there were 9,824 radio and 1,624 television stations in the United States. Of those totals, about 1,250 radio and 300 television stations were noncommercial operations providing educational programming . . .

■

Woes of TVROs . . . some informal reports in March suggested sales of back-yard TV receive-only antennas (TVROs) had dropped by 90 percent with the inception of "scrambling" of pay network signals (see **Update 22,** p. 6). TVROs had been selling several tens of thousands of units per month for the past several years . . .

■

Happy Birthday . . . it was 25 years ago that AT&T began providing Wide-area telephone service (WATS) allowing business customers to pay a flat fee for bulk use of long distance. WATS now serves some 100,000 customers and has grown from 19 million calls in 1961 to 3.8 billion in 1985 . . .

WORLDNET

(see page 8 for schedule)

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IA 1.16/2:

Potential Shuttle Delays . . .

Admidst reports of potential private funding of a replacement orbiter vehicle to take the place of the lost "Challenger" shuttle (see **Update 24**, p. 1), the National Aeronautics and Space Administration (NASA) announced it was reviewing delays in the next Shuttle launch of 6, 12, or 18 months. Further, the U.S. will be limited to a three orbiter fleet for at least the next three years. NASA is giving priority to critical national security payloads, then to scientific payloads with specific launch windows and finally to other U.S. government, foreign and domestic commercial payloads. Meantime, General Space Corp. said it could raise the estimated cost to build a new orbiter, about $1.5 billion, and could then lease the vehicle back to the government at favorable rates. (From stories in **Satellite News,** March 3, 1986, pp. 2-3)□

Progress on HDTV Standard

A world standard for high-definition television (HDTV) studio systems received a boost of sorts at a gathering of nine international broadcast unions in Prague, February 17-23. The Interunion meeting, attended by 200, including representatives of the U.S. television networks, developed a mixed final document on HDTV, recognizing both the extensive support for a U.S.-backed HDTV proposal, and the continued uncertainty among some key broadcasters in Europe and elsewhere. It was the first such conference of the organizations since a 1983 event in Algiers, and a total of 20 technical recommendations were developed in areas such as digital television tape recording, satellite broadcasting of HDTV and international auxiliary frequency standards. The meeting was not the last or most important arena for HDTV considerations—conclusive discussion of the HDTV question is set for next May's plenary meeting of the CCIR (International Radio Consultative Committee) in Yugoslavia—but some viewed it as a possible indicator of sentiment on the issue prior to the final CCIR deliberations. In the end, much of the tone of the groups' final HDTV resolution reflected that of the CCIR proposal, which cites parameters of a Japanese-originated technology with 1,125 horizontal lines, a 16:9 aspect ratio and a 60 hertz field rate with interlace scanning. The groups, eight of which approved the document, cited the "widespread support" received by the proposal, and noted the advantages of a single HDTV world standard and the "broad applications and urgent demand" for the technology. The groups also expressed concern that postponements of a decision on an HDTV studio standard would "most probably" lead to the establishment of several different HDTV studio standards." Organizations of three regions, however noted they required additional time for studies of the question: the nations of both eastern and western Europe, and Arab States Broadcasting Union. (From **Broadcasting,** March 3, 1986, pp. 61-62) □

. . . and Competition from China

The People's Republic of China (PRC) has stepped into the international commercial launch market. With the decision early in February by the Swedish Space Corp. to enter into an agreement to launch a satellite on the PRC's "Long March 2" launcher, China moves into the launch business heretofore exclusively dominated by the U.S. shuttle and the European Ariane rockets. The entry may be coming at an advantageous time with the crippled shuttle effort. The shuttle program, reeling from its as-yet unexplained Challenger explosion on January 28th has had the lion's share of the launch business. Ariane, with orders for about 40 percent of the open launch market has just had its first successful launch since last September's failure which lost two satellites with a total value of about $150 million. The Swedish satellite "Mailstar" will be launched at the dramatically low cost of $4 million compared with an average of about $25 million for the Ariane and $40 million and up for the shuttle. The preliminary agreement marks the first potential commercial launch order received by China from a foreign country. The agreement calls for a one year study of technical considerations for the feasibility of a "Long March" launch. Mailstar is a very low-cost communication satellite designed for worldwide electronic mail by relaying messages for Swedish and foreign industry with facilities abroad. The goal is to provide low rate services directly to users with low cost and possibly portable terminals in remote factories. It is a small satellite weighing less than 100 kilograms and designed for a low polar orbit, instead of the geostationary orbit like most conventional communications satellites. (From **Satellite News,** February 17, 1986, pp. 1-2) ☐

Changing Microwave Market

The short-haul microwave communications business has quickly become the last frontier for many microwave equipment suppliers. They are seeking refuge from the maturation of the long-haul microwave market where they have been active for 30 years. This is due in part to the growing competition from alternative higher-capacity transmission media such as fiber optics and satellites. Noted one microwave consultant "In the future, we will se more microwave being installed in areas of rugged terrain. Fiber-optic lines, on the other hand, will be installed in flat areas." Microwave manufacturers are also seeing fiber optics as a growing threat in the intracity market. In Chicago, one fiber-optic carrier plans to run cable through old coal tunnels that are interconnected to some 20 skyscrapers (see **Update 2,** p. 3). In New York, the Metropolitan Transportation Authority is accepting bids from fiber-optic carriers to install fiber-optic lines along subway and train rights-of-way. So short-haul represents the biggest new market for microwave vendors. Applications for the equipment include private corporations, banks and educational institutions with private digital microwave networks that can transmit data for short distances between buildings. This is likely to be a healthy market for the next several years. (From **CommunicationsWeek,** February 17, 1986, p. C1) ☐

Reusing Satellites

Satellite underwriters have found a tentative buyer for two satellites retrieved a year ago from errant space orbits. Teresat Inc., a joint venture formed by a real estate trust, a videoconferencing company and a satellite communications consulting and design firm has agreed to pay about $50 million for the Westar VI and Palapa-B2 satellites. But the deal will hinge on Teresat's ability to raise capital through a soon-to-be-made public offering. Satellite underwriters led by Lloyd's of London had paid the National Aeronautics and Space Administration $5.5 million to retrieve the two satellites in November 1984, after paying Western Union Co. $105 million and the Indonesian government $75 million in losses. Teresat plans to relaunch one of the satellites by the end of next year to provide shared telecommunications services to suburban office complexes and industrial parks. The 24-transponder C-band (14/12 GHz) satellites would be refurbished by Hughes Aircraft Co. under a $5 million contract. The relaunch of the satellites was included in the retrieval contract. The second satellite will be held as insurance in case the first launch fails. Teresat is negotiating to sell the second spacecraft to a foreign government if the first launch is successful. (From **CommunicationsWeek,** March 3, 1986, p. 14) ☐

End of an Experiment

Times Mirror, the media conglomerate based in Los Angeles is abandoning its Gateway Videotex Service, and laying off 120 employees, ending four years of research and little more than a year of commercial service to 3,000 subscribers and 45 advertisers in Southern California. Times Mirror spokesman said there wasn't enough customer interest in the experimental project, which provided in-home computer banking, shopping and advertising services, to warrant going any further. (From **Electronic Media,** March 3, 1986, p. 46) ☐

REGULATION

"Must-Carry" Resolved

After months of public posturing and behind-the-scenes negotiations (see **Update 14,** p. 5, and **Update 10,** p. 4), the cable and broadcasting industries have come to an agreement on whether and when cable systems "must carry" signals of local television stations. Must-carry refers to the former Federal Communications Commission (FCC) requirement that cable systems carry all local TV signals. On February 26, representatives of the various trade associations involved (see profile on page 7) exchanged letters of agreement that could mark the end of the cable-broadcasting public policy wars of the past few years. The spotlight is now on the FCC which will be asked to adopt the package as part of its own on-going proceeding on the issue. The agreement sets up a rationale for the compromise—that the Communications Act of 1934 as amended sets up basically two different kinds of television distribution systems: free over-the-air broadcasting and subscription, closed transmission cable. More specifically, cable systems with 20 or fewer activated channels would be exempt from any must-carry obligation (a cutoff that would free one third of cable systems from any concern about "must carry"). Systems with from 21 to 26 activated channels are not required to carry more than seven local stations. Larger systems, with more than 26 channels, would be required to devote no more than a quarter of those channels to carrying of local TV signals. To qualify for "must-carry" status, the television station must show it has at least a two percent viewing share of non-cable homes. There are many other specifics in the complicated agreement. The bottom line, however, is an apparently successful attempt by the industries involved to replace an old FCC rule which was tossed out in a court review (see **Update 10,** p. 4). Local television station owners had been concerned that they might not be carried by cable systems, thus costing them audience in cable homes. They also feared having to pay for being carried on cable systems, a service which had been free until that court decision. Cable system owners, on the other hand, often had to carry duplicate network signals in major markets where more than one network affiliate might be significantly viewed in the cable system coverage area. All sides agreed the issues—and the compromise—were the best solution to providing service to the viewing public. (Some of this information is from **Broadcasting,** March 3, 1986, pp. 31-33) □

And on the Telephone Front . . .

In the contuned American Transition from a regulated monopoly to a competitive telephone system, several developments in the past few weeks are important indicators of progress. Judge Greene (see **Update 11,** p. 7) appears to be allowing the seven large regional holding companies which were once part of AT&T to branch into other industries

(continued on page 6)

The Drama Squeeze

Squeezed simultaneously by tighter network licensing fees and an apparently softer syndication market, the business of producing hour-long drama is undergoing significant change. It appears that fewer such programs will be produced in the near future, and that more of the ones that are produced will be shot outside Southern California to help reduce costs. Scripts may contain fewer expensive car chases and more dialogue. The economic pressures producing such changes stem largely from belt-tightening moves at ABC, CBS, and NBC (see **Update 21,** pp. 4-5). These networks, faced with an increasingly competitive television marketplace and federal rules that prevent them from participating appreciably in the domestic syndication marketplace, are simply more cost-conscious these days when they buy programs. It appears all three networks will turn down producer requests to increase license fees (paid to the program owner for network showings) 15 to 20 percent. The fees do not cover the full cost of producing a series—but they help reduce production deficits. Producers ultimately recover their costs and make any profits when they've produced enough episodes (ideally about 100 or more) to take the program into syndication. But hour-long dramas have never been as popular in syndication as half hour comedies. Drama is not as strong in audience ratings when played on local stations and TV stations don't have as much flexibility in scheduling the longer programs. Now, with no less than 60 hour-long off-network programs in syndication, and 16 more yet to come, supply is expected to surge even further ahead of demand. Per-program prices have already felt the impact. (Prices for syndication overseas may also fall as a result of the glut.) The program producers are feeling the pressure. A studio producing an hour-long drama for a major network can easily run up a deficit of $50 to $55 million in the five years it generally takes to produce enough episodes for syndication. And there are few shows grossing $55 million in syndication income. A couple of years ago, stations spent a total equal to more than $1 million for each syndicated episode of "Magnum, P.I." But no hour-long drama has done as well since. The networks suggest the FCC relax its rules and allow networks to own a part of the potential syndication rights. That way, the networks might put up more money up-front, knowing they would participate in the long-range eventual income from syndication. (From **Electronic Media,** March 3, 1986, pp. 1, 46) □

National Fiber Network Expands

The National Telecommunications Network (NTN), the consortium of seven regional fiber optic companies announced last year has reported continued progress toward its goal of becoming the first all-digital fiber optic network in the U.S. NTN now has 4,700 miles in the ground, with 3,500 route miles in operation. The network, now 44 percent built, serves 54 major cities. (From **The Long-Distance Letter,** March 1986, p. 10) □

PROGRAMS

The Trouble with News

Network affiliate television station news directors are generally upbeat about their respective networks' plans for expanding news feeds and subsidizing Ku-band satellite news gathering facilities in order to blunt competition from alternative news sources. But many of these same news directors are being forced to do some serious thinking about where their loyalties lie. Stations are becoming local representatives of satellite news gathering entities (see **Update 18,** p. 4), as well as national TV networks, and their new regional interconnections. The national networks are developing regional feeds of news stories of primarily regional concern, while helping to subsidize their affiliates in purchase of the expensive truck-mounted antennas used to receive and transmit Ku-band satellite news signals. All of these sources provide feeds of news reports for station use—a much wider choice of programming than stations had just a year or so ago. But if a station *provides* reports on an important story in its coverage area, which of these many sources should it service first? Now the station has to make choices among sources in receiving and sending news, whereas until quite recently, the station and the network were sole sources of news to each other. (From **Television/Radio Age,** March 3, 1986, pp. 54-55, 92-93) □

CABLE—TV

PPV's Continuing Growth

Despite a general air of caution that continues to shape system operator's approaches to pay-per-view (PPV) premium cable programming, signs of a gathering momentum toward industry acceptance are appearing. Most significantly, perhaps, in the few months since the beginnings of the first national PPV services (see **Update 22,** p. 1), some 1.5 million subscribers have been committed to trials of satellite-delivered PPV. There is still lively debate over whether or not PPV can effectively compete against the continuing videocassette rental trend which is cutting into potential pay-cable audiences. And considerable uncertainty still surrounds issues like programming costs (high), billing logistics (complicated) and hardware cost effectiveness (to get PPV, homes must have a special decoder "box" on their set). (From **CableVision,** March 3, 1986, p. 56) □

Positive People Metering

ScanAmerica Network, a syndicated research service jointly developed by the Arbitron Ratings Company and Burke Marketing Services, reports very positive preliminary results of a pilot study in Denver, Colorado. The pilot panel of 200 households has functioned since early December and represents the first step toward a single-source media- and marketing-research service. Installed on every television set in the panel of homes, the ScanAmerica people meter (see **Update 25,** p. 6) is capable of monitoring every broadcast station and cable channel selected, even when recorded by a videocassette recorder. An on-screen prompt, in the form of a small blinking question mark, tells when it is time to indicate who is watching the TV set. Viewers simply press buttons on a wireless remote keypad. If nobody responds in a half hour a reminder prompt appears on screen. Total response to the prompting in test homes averaged better than 90 percent, usually within three minutes of the prompt. (From **Broadcast Marketing & Technology News,** February 1986, p. 3) □

Talking, *from page 1*

of the acquiring firm as part of a list of seven acquisitions (see **Update 1,** p. 1). Bruskin speculates the RCA/GE deal may have been better known only because it was more recent, though both company names are also well known. (From **Television/RadioAge,** March 3, 1986, p. 20) □

Telephone Front, *from page 4*

and even other telephone businesses outside of their own franchise areas. In an important decision in February, Greene allowed Pacific Telesis, one of the regional firms, to get into mobile communications and information services (voice storage and retrieval) outside its own territory. The Department of Justice is developing its major report to Judge Greene due early in 1987, on how the divestiture process is developing. As reported in this and other issues of **Update,** a variety of new firms and consortia are entering the long distance market (see this issue, p. 3). Other companies are merging to build competitive strength: MCI and SBS with an investment from IBM last summer (see **Update 8,** p. 1), and more recently GTE-Sprint and U.S. Telecom announced plans to merge their long distance operations. Meantime, AT&T looks ahead to a new chief executive when Charles Brown (see **Update 11,** p. 6) retires this summer, amidst still the difficult transition to competition within the company. AT&T is adjusting its long distance rates to meet the competitive carriers, but has consistently had poor financial results from its Information Systems division which manufactures telephone and computer equipment. □

Cable Programs for Broadcast?

Cable networks, caught between subscribers who constantly demand new and better shows and producers who constantly demand higher budgets to create those shows are looking to the broadcast syndication market for additional sources of revenue. While the trend is a relatively new one, it is a trend that seems destined to grow and to flourish. By offering their programming to the broadcast industry, cable networks are answering the short term problem of where to find the money to produce new shows. They also are using broadcast television as a subtle means of promotion. The result may be more and better original programming for both media because of the added revenue. One new series, "Check It Out," on the USA cable network, will run exclusively there for its first 24 episodes. Then those episodes will be syndicated to television stations for a year. Initially, there will be no conflict. But if the half hour comedy is a success there will be 22 more episodes produced—and viewers will have the option of seeing new episodes via cable TV on the USA network, or settling for re-runs on over-the-air televison. (From **Television/Radio Age,** February 3, 1986, p. 44-45) □

In Profile

Edward Fritts

From a handsome curved building on Washington's Connecticut Avenue, "Eddie" Fritts presides over the National Association of Broadcasters (NAB), the most important (and oldest—it goes back to 1923) trade association of radio and television networks and stations. The 19th president of NAB, Fritts had served as chairman in 1981-82 before his election as the chief executive officer in October 1982. Fritts attended the University of Mississippi, and then founded a radio station firm in 1963 that, when he became NAB's top officer two decades later, had ten stations in four southern states. The 45-year-old Fritts has been at the heart of industry negotiations to resolve the "must carry" controversy (see page 4). He has also urged the recent merger now being consumated between the NAB and a long-time rival trade association of radio broadcasters. This will strengthen the NAB's hand in representing the broadcast industry before Congress and the FCC. Internally, Fritts has greatly streamlined the NAB's operation, while expanding its interests to cover newer electronic media as well as broadcasting. □

UPDATE

More on Murdoch's Network

The FCC will encourage it. Rupert Murdoch has appointed a president for it, and despite substantial skepticism, it may happen, possibly losing tens or hundreds of millions of dollars initially. The "it" is a fourth television network, a much talked about opportunity to leverage corporate identity, capture more of the estimated $8.3 billion in national television advertising income spent outside the existing broadcast networks, and, its backers hope, even to overtake ABC, CBS, and NBC. Now owner of 20th Century Fox Film Corporation and soon to be owner of six television stations currently owned by Metromedia Broadcasting Corp., (see **Update 4,** p. 1, and **Update 9,** p. 6). Murdoch's company will be the first non-network company in broadcast history to combine a major production studio with a large station group. It is clear from financial documents filed in the sale of the Metromedia properties, that Murdoch's people have been actively planning incremental development of a fourth network for some time. Barry Diller of 20th Century Fox has been named head of what is being called the Fox Television Network. The potential network may begin with a lineup of presently independent (non-network affiliate) stations with programming on Saturday evening, possibly by January 1987. The growth in the past five years on non-network commercial stations would allow a new fourth network (assuming it got an affiliate in every market possible) to reach 75 percent of the nation's population, adequate enough for advertisers buying time to reach a national audience. Indeed, with Murdoch's ownership of the satellite Sky Channel advertiser-supported cable network in Europe, there is potential, say some experts, for a world television network. (From **Broadcasting,** February 10, 1986, pp. 36-38) □

FEATURES

Booknotes

Audio in Media by Stanley R. Alten (Wadsworth Publishing, 10 Davis Drive, Belmont, CA 94002—$32.50) is the second edition of one of the best audio technology and methods books available. In just over 600 photo- and diagram-illustrated pages, the author (on the Syracuse University faculty) covers all aspects of sound studios, control consoles, turntables, microphones, magnetic recording, loudspeakers, signal processing, technical planning and sound design, using microphones for speech and music, studio recording and production, editing, and mixing and rerecording processes. □

On the Line: The Men of MCI Who Took on AT&T, Risked Everything, and Won! by Larry Kahaner (Warner Books, 666 Fifth Ave., New York 10103—$18.95) is the fascinating and well-written story of the coming of competition to the American domestic telephone system. MCI, which originally stood for Microwave Communications, Inc. began in the late 1960s as an idea which finally was put into practice in 1973—provision of long distance by a company other than AT&T which then had a near-monopoly. The author tells of the business decisions which led MCI from a struggling beginning to being AT&T's major competition today with thousands of employees and nation-wide telephone service to homes and businesses. It's a great tale of success against long odds. And it provides a good sense of the radical changes in American telecommunications in recent years. □

1986 WINTER SCHEDULE	WORLDNET DAILY FEED					
EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (29:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC)					
	(35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, IL 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, CO 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

National Association of Broadcasters (Research and Planning Department), 1771 N St., N.W., Washington, DC 20036, USA (telephone 202-429-5379) for **Broadcast Marketing & Technology News,** a monthly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854, USA (telephone 301-340-2100) for **Satellite News,** and **Telephone News,** weekly newsletters, and **The Long-Distance Letter,** a monthly.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, DC 20036, USA (telephone 202-872-9200) for **TV Digest,** a weekly.

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Satellite Industry Reviews Markets

While "shakeout" may strike some as a dramatic term to describe the dynamics of today's U.S. satellite industry, it is clear that industry is at a crossroads—at least in terms of the broadcast-cable video sector. The 1983-84 programming shakeout in the cable television sector has cost satellite owners and operators dearly. As programming services folded or failed to launch in that period of consolidation, some satellite vendors found themselves with excess capacity, a condition that persists. Due to savvy marketing strategies, those programming services that survived and now are making money are clustered onto a few key broadcast-cable satellites—a boon for owners of those satellites, a bane for others who had hoped to capture a larger slice of the broadcast-cable satellite pie. While the broadcast sector of the satellite business remains important, two vendors, RCA Americom and Hughes Communications, have emerged from the satellite wars with the bulk of the broadcast and cable satellite business—a huge installed base of network, station, and cable headend receive dishes looking at their satellites. Most of the nation's 870 full-power TV stations and virtually all of the 6,000 plus cable headends are equipped with C-band receiving capability, in many cases with multiple dishes. The primary cable satellites remain Hughes' C-band Galaxy I, credited even by competitors as exemplifying the "condominium" satellite berth marketing concept, and RCA's Satcom III-R, whose popularity among cable programmers has been only slightly diminished by Hughes' Galaxy program. In the meantime, other satellite vendors, such as Western Union, GTE Spacenet and Comsat, find themselves increasingly concentrating on the business communications sector—primarily voice and data. This is where the big growth in the satellite business comes—broadcast-cable plays an important, but largely secondary, role in the satellite client lineup. At

(continued on page 6)

SHORT SUBJECTS

Leaving soon... NBC Chairman Grant Tinker (see **Update 14,** p. 8) is likely to leave the leading network soon according to observers. His contract expires in June and he's ready to move on. He is widely credited with the recent turn-around, making the long-time third-rated network number one in prime time ratings.

■

Cable's past... as it approaches its 30th anniversary, the cable business is working with Penn State University to develop the first museum of cable television's history. At least a million dollars will go toward construction and upkeep of the industry archive which will combine research and exhibition facilities.

■

All wet... cable program specialization carried to an extreme? The Water Sports Network will offer water recreation and sports television programming starting with a one-hour weekly syndicated magazine series in September.

WORLDNET

(see page 8 for schedule)

In This Issue:

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IA1.16/2:

Boost for Private Launch Vehicles

Expendable launch vehicles (ELV) received an unexpected boost in March with the National Aeronautics and Space Administration's (NASA) policy shift to endorse unmanned rockets as a supplement to the shuttle transportation system. In an interoffice memo made public, NASA's acting administrator said that assured access to space requires "a mixed fleet of orbiters and ELVs." A consensus supporting the policy is emerging from a senior interagency group that has been reviewing space policy. In the past, NASA has adamantly opposed developing a private ELV industry. Although the Reagan administration has been encouraging the fledgling industry since its announcement in 1982 that ELVs should supplement the orbiters in shuttling spacecraft in outer space, Congress has stood behind NASA and has created a series of blocks to the development of private ELVs. The U.S. has invested about $1 billion in development of the Atlas/Centuar and the Delta unmanned rockets according to a spokesperson for Transpace Carriers Inc. The company is taking over management of the Delta rockets from NASA and will have the capability of lifting up to 3,000 pounds for just over $30,000. This puts the company in the mid-range of prices charged by other firms assuming the direction of NASA's unmanned business. General Dynamics offers the Atlas/Centaur for about $70 million, while Space Services offers small payload service for about $13 million. (From **Satellite News,** Mar. 17, 1986, p. 1) ☐

FCC Sets Plans for AM Expansion

Within days of the return of a delegation that had taken soundings in six Central and South American countries, the Federal Communications Commission (FCC) completed its recommendations for the U.S. position at the first session of the western hemisphere conference in April on planning the 100 KHz expansion of the AM band, from 1605 to 1705 KHz. The FCC proposed that the conference adopt an allotment planning method and a maximum power limit of 10 kilowatts, providing a given station's power level at an international border does not exceed 1,000 watts. The commission, whose proposals have been forwarded to the State Department, acted on the report of the delegation headed by FCC Mass Media Bureau Chief James McKinney (see **Update 18,** p. 7) who will also head the U.S. team to the three week conference in Geneva. The U.S. favors allotment planning because, they say, it affords flexibility: It makes designated frequencies available for use anywhere within a specified area. And countries are free to depart from initially presumed characteristics of a station provided radiation toward other countries is not increased. Under the alternative—and assignment plan—an assignment for each station is entered into the plan with a specific location and power and other characteristics. Then, as has been the case with a plan adopted for existing AM frequencies in 1981 in Rio de Janeiro, governments must engage in the laborious process of resolving the incompatibilities among "required" assignments that are bound to result. What's more, stations cannot be added to the plan until it is amended. Last fall, the U.S. developed the bulk of its proposals for the first session, which will develop the technical criteria and planning method on which a plan will be constructed at a second session in 1988. (From **Broadcasting,** Mar. 17, 1986, p. 93) ☐

Another Blow to Videotex

Within two weeks of another videotex project's demise (see **Update 26,** p. 2-3), Knight-Ridder Newspapers Inc. announced the end of its "Viewtron" venture in Coral Cables, Florida which had attracted 22,000 subscribers. But that was insufficient demand to cover the costs of a staff of 140 (now being laid off) and a total investment said to top $60 million over the past several years. A spokesperson for Knight-Ridder said the company saw little chance of making a viable business out of videotex in the next several years. Analysts reviewing the closure of the two largest videotex experiments in the country in such close proximity to one another noted several drawbacks to marketing videotex. For one thing, advertising revenue was but a fraction of that projected. For another, the combined price for a subscriber's terminal and monthly connect fees were simply too high for the resulting service. The next major step in videotex appears to be development of interactive systems, but money to invest in such a venture is not likely for some years to come. In the meantime, several other firms continue to look into the potential of videotex or closely-related services despite the darker commercial outlook with the end of the two largest experiments in March. ☐

New Rural Telephone Option?

Philadelphia-based International Mobile Machines Corp. (IMM) has lined up two telephone companies to test the product it says will bring the integrated services digital network (ISDN) revolution to rural America. The device is a Fixed Ultraphone, a digital radio telephone system, to be tested by the Puerto Rico Telephone Co. with a formally announced trial scheduled to begin in late 1986 or early 1987, and the S&A Telephone Co. in Kansas which is considering Ultraphone as an alternative to installing more cable to upgrade its party-line subscribers to single lines. Ultraphone marketing will target telephone companies such as these in low-density areas with long local loops. The Ultraphone system consists of two segments—the base station which connects subscribers to a central office, and the subscriber station on or near user's premises. Telephone companies can overcome topographic obstacles by installing the remote terminal at a high point or by using antenna relays. The base station can radiate as far as 40 miles. The subscriber station connects to the user's phone set through the inside wiring already in place. The unit is about the size of two loaves of bread and can be installed inside or outside the premises, connected to an antenna and a 120 volt alternating current power supply. Ultraphone will apparently be cheaper than laying long segments of cable in remote areas. (From **Telephone News,** Feb. 24, 1986, pp. 3-4) ☐

Intelsat to Ariane

Intelsat last week became the first NASA customer to switch to the European Ariane launcher since the loss of the shuttle Challenger in January (see **Update 24,** p. 1). During its board of governors meeting, Director General Richard Colino announced Intelsat is seeking "contract revisions for deployment of the first two Intelsat VI spacecraft" so they can be launched by Ariane. The satellites were originally scheduled for shuttle launch in July 1987 and February 1988, but would have been postponed for at least a year due to massive shuttle launch schedule revisions. After an additional, already-scheduled Ariane launch of an Intelsat VI in December 1987-February 1988, remaining Intelsat VI launches are planned for the shuttle in 1988-1991. (From **Satellite News,** Mar. 17, 1986, pp. 1-2) ☐

Navajo Radio

The testing of equipment began in January for a new AM radio station licensed in the remote town of Window Rock in the desert canyon land of Arizona, just south of the "Four Corners" area where the states of New Mexico, Colorado, Utah, and Arizona meet. The station signed on at the end of February, the call letters reflecting its ownership—The Navajo Nation. The goal of its management is to build the station into the centerpiece of a national radio network catering solely to native American Indians. With 50,000 watts day and night, KTNN will be the first radio station with that kind of power ever operated by native Americans. The Navajo tribe, which has 200,000 persons living in the four state area, first began working on getting a license five years ago. A staff of 15 will operate the station, which is affiliated with the NBC network. Management expects the station's signal to reach as many as 16 Western states, as well as parts of Canada and Mexico. Much of the programming will be in the native tongues of the Navajo, Hopi, Apache, Pueble and Ute tribes. By this summer, the station plans to expand its initial 12 hour schedule to a full 24 hours a day. (From **Electronic Media,** Feb. 3, 1986, p. 22.)

REGULATION

Unregulation . . . The Federal Communication Commission (FCC) is considering a recommendation that the restrictions on duplication of programming by co-located AM and FM stations be lifted. The rules were first established in stages about two decades ago in an attempt to give the then much weaker FM service more audience appeal, and thus financial success. There are now about an equal number of both types of stations, but due to its superior sound and stereo capability, FM stations now collectively have a larger portion of the radio audience than their older AM counterparts. Many observers feel that lifting the rules will have little real effect as specialization in programming, now as widespread on FM as on AM, is now due more to competitive pressures than it is to the old rules. But that the FCC is considering the change is yet another indication that the federal government is moving still farther away from any control over station programming. (from an article in **Broadcasting,** Mar. 17, 1986, p. 7) □

Channel Switching . . . Sort of . . . One of the more controversial matters before the FCC for the past several months is whether to allow public (non-commercial) TV stations on a VHF channel to exchange their channel for a commercial UHF station in the same market, along with a substantial cash payment and valuable television equipment. The proposal comes from two pressures: the need of the non-commercial stations for operating funds as government support declines, and the desire of commercial operators for a VHF channel's better signal and greater audience reach. Many in public broadcasting have argued strongly against the idea (which would not be possible under current FCC rules) as the public station, while gaining needed revenue, would be cutting its own audience reach and thus limiting its future impact. Early in March, the FCC issued a related decision in the matter, allowing stations to exchange channels *within* the same band—either VHF or UHF, but not between bands. The main question now appears on a back burner, given the controversy surrounding it. (Based on newspaper accounts and **FCC News Release 3151,** Mar. 13, 1986) □

Screaming about Scrambling . . . The debate over the conflicting rights of cable program providers versus those of back yard TV receive-only (TVRO) antenna owners moved to a tense hearing before a House of Representatives subcommittee early in March. The televised hearing (the C-SPAN public affairs network carried the proceedings a day or so later) pitted spokesmen for cable programmers such as HBO and Showtime, both of which are now transmitting scrambled signals (see **Update 25,** p. 7; **Update 22,** p. 6), against companies outside of the cable business who would like a chance to market those signals to TVRO owners. In strong terms both sides made their feelings known. The cable programmers feel they must scramble programming to preserve their investment to those who pay for reception. The TVRO owners, on the other hand, argue that they are being forced to pay super-high prices (much higher than those paid by cable subscribers) for monthly fees, let alone for descrambling equipment. There will be at least one additional hearing on an issue which is getting hotter . . . □

Setting Up the New Season

In March, 125 advertising executives were in Los Angeles as guests of the three broadcast networks' sales departments to be briefed on development of new or "pilot" programs for the 1986-87 prime time season. Each network took two days to walk the ad people through its pilot developments, showing initial film clips from production. While the final pattern will take a while to become clear, it's evident that detective shows and domestic situation comedies (sitcoms) are popular. There are a total of 73 firm deal pilots and series commitments at the networks, most of which will be delivered by the end of April—in time for the early May programming meetings when the networks pick the shows for their fall schedules. The number of pilots is down from last season's 82, but about even with the previous year. One reason for the drop is that NBC is keeping its pilot commitment to a minimum because it is selectively ordering for specific time periods. Further, several projects are not going forward this season because the networks and studios have been unable to agree on how much the networks will pay for the license to show the programs twice in prime time. Not surprisingly, Capital Cities/ABC, third in the ratings and most in need of rebuilding, will have the most pilots to review—27 (15 for one-hour series and 12 half-hour comedies). CBS has 25 (13 and 12 respectively), while ratings leader NBC has 21 (12 half-hours and 9 hours). Law and order is the most popular topic at all the networks. Of the 73 pilots, 23 deal with some form of catching criminals—either detectives, undercover police, international espionage, or attorneys. A significant number of pilots, whether for financial reasons or to achieve a different "look," are being produced outside of Hollywood. CBS has seven pilots developed through its New York office, and other programs are being done in Houston, Washington, DC, and Hong Kong. The pilot development process is a series of steps that narrows down the possibilities for choosing network programs. The vice president of series programs at NBC says that for every 10 ideas the network hears—most pilot presentations by producers are done verbally—the network orders one script. And for about every five scripts it orders, one is picked for a pilot. Then one of every three pilots becomes a series. And that's only the beginning. Only two of every ten new series make it to a second season. All of this means that the ratio of ideas to shows that eventually make it to a series is 150 to one, and the chances of having a hit with one of those ideas (that is, a series that returns for a second season) is 750 to one. Perhaps to better the odds this season, producers and the networks have a record number of pilots that are spin-offs from regular existing series. (From **Broadcasting,** Mar. 17, 1986, p. 39) □

PROGRAMS

If You Can't Beat Them...

The Movie Channel (TMC) signaled a deep foray into home video territory last week with an announcement that combined opportunities to compete with and capitalize on the various facets of the business. The channel will switch from monthly to weekly film rotation, adding on-camera hosts and instituting significant scheduling changes. It will also incorporate a potentially controversial new feature, *VCR Theatre,* which will offer one or two of the channel's most prominent films at 3 o'clock in the morning in a format designed to promote easy home taping. The *Theatre* will feature an on-camera host guiding viewers through the often tricky VCR-cable interface, in the most explicit attempt to date by the cable industry to urge pay customers to tape Hollywood product. As might be expected, the concept and related moves geared to promote taping have already attracted some criticism from the movie industry. In June, TMC will switch to a weekly film rotation schedule, adding about 15 to 20 new titles per week, most of which would not be televised again for five to six months. Officials said the format changes had been prompted in part by the discovery that in a survey last year of home receiving dish owners, TMC was the most popular pay service, a status it has never achieved among cable subscribers. The changes are designed to attract ex-pay subscribers (an audience segment growing larger as cable matures), people who resist pay or multi-pay for a variety of reasons, and especially VCR owners. (From **CableVision,** Mar. 10, 1986, pp. 32-24) □

CABLE—TV

New Cable Network?

A giant cable company's tentative plan to build what amounts to its own national cable network, complete with local stations, has captured the attention, and in some cases the imagination of others in the television business. Tele-Communications Inc. (TCI) could build its own independently programed network within five years. As owner/operator of such a system, TCI would not only buy more programming but would also produce more itself. TCI Senior Vice President John Sie says what a cable company needs most to establish an independent network are urban markets in which 100 percent of all TV households can get cable and 60 percent of them are doing so. At that point he says, it begins to make some sense to use cable as a hybrid medium. TCI, a multiple system cable operator with more than 3.5 million subscribers has been trying to persuade Twentieth Century Fox (owned by Rupert Murdoch) to make it an affiliate in the studio's emerging network of independent stations. (From **Electronic Media,** Mar. 10, 1986, pp. 1, 55) □

RESEARCH
& Technology

TV and Cable Viewing Studied

In reporting a record level of daily television viewing for 1985, Television Bureau of Advertising (TvB) analysts observed that on average, viewers spent a little less time viewing broadcast programming last year, and a little more time watching cable material. TvB noted that daily television viewing averaged seven hours and ten minutes per household in 1985, a two-minute increase from the previous year. On average, each American television household viewed over-the-air programming six hours and 31 minutes per day. By contrast, basic cable services were turned on 34 minutes per day per household, and pay cable services were watched 27 minutes per day per household. (The sum of the three categories does not match up with the overall daily viewing figure because of duplication in homes with more than one receiver.) Some data showed broadcast viewing rising—perhaps based on NBC's resurgence in prime time ratings this season, increased use of videocassette recorders, and more attractive programming on independent (non-network) stations. (From **CableVision,** Feb. 10, 1986, p. 47) ☐

Western Union Adjusts

Pioneer telecommunications company Western Union filed a financial reorganization plan with the federal Securities and Exchange Commission in March in an attempt to avoid bankruptcy. The company which once held a national monopoly on telegraph service, and one of the world's first telecommunications giants, Western Union has fallen on hard times in recent years. It needs to pay back bank loans totaling $321 million and set up long-term bank agreements with its 31 lending institutions. Many financial analysts thought the plan might work—but expressed concern that the company lacks a clear goal and position in the telecommunications field, so that its losses may continue. (From a story in **Communications-Week**, Mar. 17, 1986, p. 33.)

Satellite Industry,
from page 1

the moment, usage of North American communications satellites stands at about 60 percent, though some say that figure is lower than the actual situation. Others project that usage will improve to a 70 to 80 percent range in the next three to five years. GTE-Spacenet, one of the satellite operators most affected by the cable shakeout noted that when its three-satellite system was designed (Spacenet 3 is scheduled for a June launch), operators factored in usage of C-band transponders for video signals, mostly cable. Many of those services, then planned, never materialized, leading to unused capacity. The GTE people note that no new players have entered the satellite industry for some time and that several ventures, such as Satellite Business Systems, United Satellite Communications Inc., and Comsat's projected direct broadcast satellite firm, Satellite Television Corp., have fallen by the wayside with departures from the satellite operating end by Comsat (which now concentrates on subleasing and packaging complete communications systems) and Aetna Insurance Co. Another variable looms on the horizon—expanding use of fiber optics technology, especially for heavy trunk line voice and data usage. And when the telephone companies start to vacate satellites in favor of fiber, the economics of satellite transmission may change; the concern among providers is that the volume of replacement users may not be enough to offset the voice and data revenues. That, in turn, could affect the industry's ability to service the broadcast-cable sector—putting greater bottom-line pressure on the highly competitive satellite business. But that is the worst case scenario. The hope in the satellite business is that new voice and data applications spawned by the proliferation of very small aperture receive dishes (see **Update 24,** p. 2), will provide enough business to go around. (From **Television/Radio Age,** Mar. 3, 1986, pp. 56-57. Editor's note: more on this story in the next issue of **Update**) ☐

In Profile

Patricia Diaz Dennis

In March, President Reagan sent the nomination of Patricia Diaz Dennis to the U.S. Senate for confirmation for the long-vacant seat on the five member Federal Communications Commission, the major government administrative agency in telecommunications. Born in New Mexico, Dennis is a graduate of the University of California in Los Angeles, and holds a law degree from Loyola University in the same city. For a number of years she practiced labor law with a private firm, generally representing management in labor disputes. From 1978 to 1983, she joined the labor relations and legal affairs department of ABC's West Coast office. For the last three years, Dennis has served as a member of the National Labor Relations Board, a federal government agency concerned with negotiating agreements in disputes between labor unions and management. A Democrat, Dennis had been rumored to be in line for the post (see **Update 24,** p. 1). Given her ABC experience, she comes to the FCC with some knowledge of the field of telecommunications which is often not true of Commission nominees. She and her husband, an attorney in business litigation and antitrust, have three children. (Based in part on information from **Broadcasting,** Mar. 17, 1986, p. 41) ☐

UPDATE

Cable Industry Takes Stock

As the National Cable Television Association, the main national trade association of the cable industry, met in annual convention in Dallas in March, topics of discussion in business sessions and in the hallways centered on the recent past and the likely future. Among those topics:

- For the second year in a row, pay cable operators are suffering declines in number of subscribers. Last year, subscriber counts had dropped about 5 percent, then rebounded later in the year.
- 1986 is clearly seen as the "year of trying out pay-per-view" (PPV) programming (see **Update 22,** p. 1), based on the number of announced PPV services. Observers feel that PPV's potential, and the declines in more traditional pay channels are both due to audience interest in videocassette recorders.
- At the beginning of the coming year, cable system operators will be able to raise monthly subscription rates freely according to deregulatory legislation passed late in 1984. Many feel that such increases will help to offset the decline in pay cable revenues.
- Scrambling of cable network signals (see **Update 25,** p. 7, and p. 4 of this issue) was widely discussed, mainly focusing on how to sell such programming to the nation's 1.5 million owners of TV receive-only (TVRO) antennas. Most cable system operators appear interested in getting into the business of serving such TVRO owners.
- There appears a general agreement that the cable industry needs to do more and better promotion of its product in an attempt to increase audience size and listening levels.

(continued on page 8)

FEATURES

Booknotes

TV Genres: A Handbook and Reference Guide edited by Brian G. Rose (Greenwood Press, 88 Post Road West, Box 5007, Westport, CT 06881, USA—$49.95) provides a fascinating key to American television programming of all kinds: where it came from, how the different formats developed, and current trends. Written by a large team of scholars of the medium, the 450 page book is divided into 20 chapters, each on a specific format, from entertainment through news. Given the spread of many American TV shows to other countries, this handbook may provide some useful background on why American shows look the way they do (see also comment on a related book in **Update 22**, p. 8).

American Mass Media: Industries and Issues edited by Robert Atwan, Barry Orton, and William Vesterman (Random House, 201 East 50th St., New York, NY 10022, USA--price not given, paper) is one of a number of paperback anthologies of recent material on American media. This one concentrates on the industries that create media products, however, and is of potential interest to overseas readers for background on how American media operate, and the economic, social, and regulatory constraints and options that exist here. Most of the material included in the 470 pages is from the last three to five years, so the view provided is up-to-date. Included are several selections on recordings, new media, and print, showing the relationships between and among these and radio and television.

1986 WINTER SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (29:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (Telephone 202-638-1022) for **Broadcasting**, a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (Telephone 516-365-4600) for **Communications Week**, a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (Telephone 202-676-8243) for **Communication Booknotes**, a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, IL 60611, USA (Telephone 312-649-5200) for **Electronic Media**, a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, CO 80203, USA (Telephone 303-860-0111 for **CableVision**, a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854 USA. (Telephone 301-340-2100) for **Satellite News** and **Telephone News**, weekly newsletters.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (Telephone 212-757-8400) for **Television/Radio Age**, and **Cable Age**, bi-weeklies.

Cable Industry, *from page 7*

- One legal stumbling block of concern: because of a court decision last year, cable operators may have to pay far more for the right to attach their cables to telephone company poles in the future. (From two stories in **Broadcasting**, Mar. 17, 1986, pp. 45-46) ☐

Notice

Stories included in ***Update*** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Cable Industry Gathers in Dallas

National Cable Television Association President Jim Mooney (see **Update 17,** p. 7) felt the association's 35th annual convention in mid-March in Dallas was "the best show" in a long time. The cable system operators and programmers and their support troops turned out for the show—more than 13,000 of them—and infected one another with an optimism about the industry tomorrow that was based on the soundness of cable today. By every measure, cable was reported to be in good financial health, though it's still hard to talk about cable as a mature industry. While most cable operators have finished constructing systems and settled into an operational mode, the cable product and pricing of that product are certain to undergo many changes in upcoming years. Some of those changes will be sparked by the deregulation of basic cable subscription rates on Jan. 1, 1987, under the Cable Communications Policy Act of 1984. When that cap comes off, some operators plan to make significant increases in basic rates. Changes will also come as cable operators gradually add pay-per-view services (see **Update 22,** p. 1) to their current mix of off-air signals, basic services, and pay-per-channel services. Prior to last year's convention, system operators were worried about backyard earth stations that had begun popping up within their franchise areas that allowed their owners to tune the C-band satellites and watch cable programming for free. In the meantime, most cable services have announced plans to scramble their signals (see **Update 25,** p. 7), with local systems handling distribution rights for the home dishes. Ted Turner, in a speech before the convention, said that cable would reach a 70 percent penetration of TV homes by 1991, a proportion he said was needed to induce advertisers to begin pouring dollars into the medium. (Cable is in about half the nation's homes now.) In all, there seemed plenty to be optimistic about. (From **Broadcasting,** Mar. 24, 1986, pp. 39-41.) ☐

SHORT SUBJECTS

An end to the beginning... Harold W. Arlin, the first full-time radio announcer in the U.S. and perhaps in the world died in March at age 90. Arlin first worked for KDKA in Pittsburgh in 1921...

■

Capitol cable... The builder of the cable television system in Washington, DC announced the first subscriber should be getting service by early fall. Washington is one of the few major cities lacking cable service, though its suburbs are well served.

■

News by the numbers... Some 40,000 people work in broadcast news in the U.S., about 21,000 of them in radio. Turnover of news personnel is twice as high in radio as in television. The data for 1985 show little change from the year before, and seem to indicate a leveling off of expansion of TV news staffs. (From **Broadcasting,** Mar. 24, 1986, p. 115.) ☐

WORLDNET

(see page 8 for schedule)

In This Issue:

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Satellite Industry Rethinks C- and Ku-Band 4
How to Support Public Broadcasting? 6
Profile: Alfred Sikes 7
Update: Mergers—One Success and One Failure 7

IA 1.16/2:

Satellite Message System

Equatorial Communications Co. in late March introduced an electronic messaging service that allows users to transmit simultaneous messages to an unlimited number of offices using satellite communications. The service, called Private NewsWire, transmits text and graphic messages generated on an IBM or compatible computer from one office to any number of other sites. Users create messages on a computer and send them to Equatorial's master earth station in Mountain View, California (south of San Francisco) using regular dial-up telephone lines. Messages are then encrypted and sent out to designated sites that are equipped with an Equatorial earth station. From the earth stations, messages are sent to on-site graphics printers. Information can be sent immediately or stored for automatic transmission at a later time. Equatorial will use Western Union's Westar IV and Hughes' Galaxy III satellites to provide the service. (From **CommunicationsWeek,** Mar. 31, 1986, p. 11.) ☐

More on Colorization

With both Metro-Goldwyn-Mayer and 20th Century-Fox film studios announcing in March that they will be converting significant portions of their black-and-white films to color, "colorization," a computer method in its infancy (see **Update 11,** p. 4) is picking up steam dramatically. The question is, will the studios' ploy translate into sustainable added appeal for the cable networks that are investing in the technology? Ted Turner, in one of his first moves after taking formal control of MGM (see p. 7 of this issue), announced that his studio will convert 100 black-and-white films to color in a three-year, $18 million agreement—at some $200,000 per film title. It seems likely the transformation to color promises major revenues from old films being seen now by new audiences. All three systems now in use apply computer technology to facilitate the process, assigning one of about 25 colors to various shades of grey present in the original black-and-white film. (From **CableVision,** Mar. 17, 1986, pp. 25-26.) ☐

DBS Firm Still Active

United States Satellite Broadcasting (USSB), the subsidiary of Hubbard Broadcasting, has brought the FCC up to date on its plans for building and launching two high-power direct broadcast satellites. Although RCA Astro-Electronics has not begun construction of the "birds," USSB said design work was finished. As now planned, it said, each satellite will have eight active channels, each of which can be switched for coverage of the whole continental U.S., or half the country. The satellites would be placed into orbit at 110 degrees and 148 degrees, both west longtitude. Because of the increase in the number of channels and other modifications, delivery dates have been delayed slightly to September 1988 for the first and February 1989 for the second satellite. USSB has had trouble finding the financial capital necessary to start RCA actually building the satellites. Thus USSB has asked the FCC to allow direct broadcast satellite operators to use the satellites for *non*-broadcast services. (From **Broadcasting,** Mar. 31, 1986, p. 81.) ☐

Another Intelsat Competitor?

A new candidate for providing international communications satellite service has emerged—the Columbia Communications Corp. which has applied to the FCC for authority to launch and operate a trans-Pacific satellite system, but one that would provide service as well to all parts of the U.S. and western Europe. Columbia is now the sixth applicant seeking FCC permission to compete with Intelsat. The new applicant proposes to operate one in-orbit Ku-band 44-transponder satellite located at 165 degrees west longitude and to construct one ground spare. The system would link the western part of the continental U.S., Alaska, Hawaii, Japan and western Canada. By applying for a trans-Pacific service, Columbia avoids the freeze the FCC has imposed on applications for U.S.-Europe service. But it plans to obtain Atlantic transmission capacity—through lease or purchase of transponders or fiber optic submarine cables, or through commission authorization of an orbital location to connect the remainder of the U.S. and western Europe with its Pacific satellite. The initial cost of the space system is expected to be about $204 million. Columbia expects the bulk of its traffic to be high-speed data, voice and video services. In accordance with U.S. policy governing separate systems, it will not provide communications interconnected with public switched message networks. Two of the company's directors and officers are former American astronauts Deke Slayton (one of the first seven appointed in the early 1960s) and Michael Collins (part of the first manned mission to the moon in 1969). (From **Broadcasting,** Mar. 31, 1986, pp. 67-68.) □

Undersea Cable: Satellite Threat?

Satellite communications carriers are watching with apprehension the installation of intercontinental submarine fiber optic cables that will go into operation in 1988 and 1989. The establishment of fiber-optic links under the world's oceans promises to bring the industry closer to an international high-capacity digital network. But the high-profile emergence of fiber-optics into international communications will result in a capacity glut, sparking fierce competition between cable and its space-based counterpart and, ultimately, a price war. Submarine fiber optic cable projects that pose a threat to the satellite transmission industry include the AT&T-led $355 million trans-Atlantic TAT-8, due to come into service in 1988; the $707 million Hawaii-to-Japan cable expected to begin service in 1989; and a fiber-optic link between the United States and the Canary Islands. Fiber-optics has given the submarine cable industry new life. At least 29 international partners have signed with AT&T as co-owners in the TAT-8 project. Twenty-two international companies including AT&T have committed to the Hawaiian project. In addition, at least two ventures have been formed to sell capacity off private fiber-optic trans-Atlantic cables. Tel-Optik Ltd., Washington, a company backed by Britain's Cable and Wireless, is a joint venture to build and operate a two-cable system across the Atlantic connecting financial markets in New York and London. The first cable in the $400 million project is to begin operating by 1989. Another startup, Submarine Lightwave Cable Co., is planning to build a private trans-Atlantic cable that will sell part of its capacity to television stations for point-to-point transmission to subscribers. The project, valued at about $450 million, is scheduled to be in operation by the end of 1989. For the past ten years, overseas transmission capacity has been split about 50-50 between satellites and coaxial cable. But the new submarine cable projects could change that balance. The existing TAT-7 cable, for instance, can carry about 10,000 channels using advanced speech compression techniques; TAT-8 will be able to carry 40,000 or more. And that overcapacity could trigger price wars between satellite- and cable-based carriers. There will be increasing pressure on cable carriers to recoup high up-front investments with aggressive pricing and satellite carriers will have to be well positioned to compete. (From **CommunicationsWeek,** Mar. 24, 1986, p. 34.) □

New Consumer Network

J.C. Penney Co., a major U.S. retail chain, and the Private Satellite Network (PSN) announced late in February they will work together to produce and broadcast consumer information and training programs to shopping centers nationwide. Consumers and retail businesses in shopping centers are the targets of the satellite-delivered programming, to be broadcast over what PSN is calling "Magnet, America's Shopping Center Network." Programs will be generated mainly from the major department store and catalog retailer's direct broadcasting studios in New York. The programming will cover topics as diverse as gourmet cooking to family financial planning and will be transmitted over PSN's satellite network. (From **Satellite News,** Feb. 24, 1986, p. 7.) □

REGULATION

Costs of Regulation. . . The U.S. Congress has approved the Federal Communications Commission's (FCC) plans to charge license fees at rates designed to help recoup the agency's regulatory costs. The fees, ranging from as little as $20 for some licenses, to as much as $18,000 for an application to launch and operate a satellite, would raise about $30 million a year which would go to the U.S. Treasury. Changes in the fee levels would be triggered by changes in the Consumer Price Index. President Reagan is expected to sign the legislation, after which the FCC would have a year to implement the new system. One remaining step will be formal insertion of the new fee schedule into the FCC's rules, a process which will require a period of public comment. Separately, the FCC is seeking from Congress and additional $1.6 million and 45 new staff positions to cover the first year of the new system. (From **CommunicationsWeek,** Mar. 31, 1986, p. 8.) ☐

Stopping the Tape Pirates. . . The debate over whether Congress should adopt legislation mandating a royalty surcharge on blank tapes and audio recording equipment used for the home taping of copyrighted music continued in the U.S. Senate in March. This time, however, a new solution to the problem was offered by the recording industry, which presented a device that makes it difficult to copy records, tapes and compact disks. The CBS Technology Center presented a copy-coding system that would "encode" recordings with a "notch" in the frequency spectrum that is inaudible and does not affect the quality of the music. According to CBS, a decoder would be built into recording equipment to scan the music looking for the encoded notch. When detected, the recording is interrupted for 25 seconds, a cycle repeated through the recording with music for 13 to 20 seconds followed by 25 seconds without sound. Such copy-coding, which would clearly discourage copying, can be applied to all emerging formats, and can be used on digital and analog recordings. The record industry would sell two versions of recordings: one with a notch for a consumer's personal use and a more expensive "copyiable" version including compensation for copyright holders. But there is a hitch. . . the system will not prohibit consumers from copying existing albums with equipment already purchased. Thus, given replacement cycles, it will take decades before such a copy-coding system could make a significant dent in the home taping problem. In the meantime, copyright holders continue to push for royalty legislation. (From **Broadcasting,** Mar. 31, 1986, p. 75.) ☐

Satellite Industry Rethinks C- and Ku-Band

(Editors note: this story is continued from **Update 27,** pp. 1, 6.)

Exactly when the trickle of migration of satellite services from C-band to the Ku-band will begin to radically reshape the satellite business is a matter of debate and conjecture, although there is general consensus that any major migration won't happen until the end of the decade. The most significant moves to Ku thus far have come from the NBC television network and from cable TV programming leader Home Box Office (HBO). NBC has chosen Ku as its distribution path to affiliates. RCA's recently launched K-1 satellite will be used not only for distribution to affiliates, but as a link to individual stations for program syndicators—or someday, Hollywood studios seeking direct television distribution of their product. An ambitious RCA antenna giveaway program has equipped more than 600 of the nation's 870 full-power broadcast TV stations with Ku antennas—providing RCA with the installed antenna base that is the key to economic success in the satellite game. NBC's director of network interconnection says the network chose Ku because it allows smaller, more cost-effective terminals and higher power transmissions than C-band. Ku also facilitates two-way video, voice and data communications. In effect, the network can use the Ku connection with affiliates not only for programming, but as a total communications system, allowing the exchange of data and voice on dedicated channels as well as transmission of traditional video. But such applications thus far have failed to convince the other two major networks or the Public Broadcasting Service. ABC and CBS have chosen to stick with C-band technology (through the AT&T satellite system) to reach their affiliates. PBS is also staying with the C-band. These networks cited similar reasons for their decision: costs of technology on the higher Ku-band as well as its rain attentuation problem which can affect signals. ABC will complete the transition from landline connections to satellite late this year, while CBS will wrap up its switch by early 1987. Despite ABC and CBS decisions to stick with C-band, some observers believe the NBC decision to go Ku will spawn the much-ballyhooed migratory movement that will see Ku band largely supplanting C-band by the mid-1990s. Virtually all major satellite providers with existing or planned Ku-band capacity are promoting the technology to television stations for satellite news gathering (SNG) operation, and to program syndicators for delivery of material directly to stations. All of these plans may help the projected migration take place but an even stronger pull to the Ku-band is the potential for providing video programming to 31 million homes not now served by cable systems. Cable companies will have the option of wiring up homes at high per-mile costs of thousands of dollars, or putting up a $500 antenna and marketing the programming as opposed to the wire. (From **Television/Radio Age,** Mar. 3, 1986, pp. 57-58, 94.) □

PROGRAMS

NBC and the Olympics

After six months of negotiations, NBC late in March signed a contract with the Seoul (Korea) Olympic Organizing Committee and the International Olympic Committee for the exclusive broadcast and cable rights to the 1988 summer games. The $300 million agreement, signed in Switzerland, was the culmination of several days of intense negotiations. NBC won the rights to the Olympics last October but had not been able to get a final agreement until now. The games will be held September 17 to October 2, 1988, and NBC's coverage will include 180 hours, about 80 of them in prime time in the U.S. Despite a time difference of 14 hours between Korea and the U.S., about 75 percent of the coverage will be live. A key element of the agreement was a letter of credit from the Korean Exchange Bank which will serve as insurance for NBC against a possible boycott of the games by Communist nations which do not recognize the Seoul government. The letter of credit will cover rights payments and any production and equipment expenses lost if NBC has to cut back or cancel its coverage due to any factor that might affect the games, including natural or technical failures. Insurers have been reluctant to provide Olympics insurance for broadcasters since 1980 when NBC suffered a huge loss after a U.S.-led boycott of the games, held that year in Moscow. (From **Electronic Media,** Mar. 31, 1986, p. 3.) □

CABLE—TV

C-Span Aims at College

C-Span, the cable industry's public affairs channel, has targeted the college classroom for its main consumer marketing thrust in 1986. For C-Span, which has directed most of its marketing efforts toward potential affiliate cable systems, the move marks the network's first attempt to pursue a segment of the consumer marketplace. The network said it would be happy if 100 college professors were using C-Span to supplement classroom lectures by the end of 1986—and some 20 schools already use the C-Span feeds of U.S. House of Representatives proceedings. One major hurdle will be equipping the educational institutions with the equipment to receive C-Span programming. The network hopes to get outside funding to underwrite this expense. C-Span won't edit segments into ready-to-use packages, however, as that kind of editing approach is against the basic function of the C-Span operation. (From **CableVision,** Mar. 17, 1986, p. 42.) □

RESEARCH
& Technology

What the Public Thinks of TV News

Based on a recent telephone survey of some 800 residents of a Midwest state capital and university town, attitudes toward television news show mixed support. Most respondents rejected the idea of stronger government regulation to protect privacy (59 percent of respondents). Even stronger majorities supported the idea that television makes news easy to understand (82 percent) and disagreed that television news tells only bad news (78 percent disagreed) or presents only one side of an issue (two-thirds disagreed). On the other hand, 73 percent agreed that the news media focus too much on controversy, and most (63 percent) agreed with statements that news stories reflect personal biases of reporters, and that the media sometimes behave in their own rather than the larger public interest (66 percent agreed). Less than half (46 percent) felt reporters got too close to political candidates. (From "Public Attitudes and Knowledge About Television News," a study by University of Wisconsin researchers issued by the National Association of Broadcasters, January 1986, p. 3.) □

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

May 14-17—*American Association of Advertising Agencies* annual meeting. Greenbrier, White Sulphur Springs, W. Va.

May 18-21—*CBS-TV* annual affiliates meeting Century Plaza hotel, Los Angeles.

May 21-25—*American Women in Radio and Television* 35th annual convention. Westin Hotel Galleria, Dallas.

June 2-5—*ABC-TV* annual affiliates meeting. Century Plaza, Los Angeles.

June 8-11—*NBC-TV* annual affiliates meeting. Hyatt Regency, Maui, Hawaii.

June 11-15—*Broadcast Promotion and Marketing Executives/Broadcast Designers Association* annual seminar. Loew's Anatole, Dallas, Future conventions: June 10-14, 1987, Peachtree Plaza, Atlanta; June 8-12, 1988, Bonaventure, Los Angeles, and June 21-25, 1989, Renaissance Center, Detroit.

How to Support Public Broadcasting?

As agencies of the federal government look to their financial bottom lines because of the requirements of the budget-cutting "Gramm-Rudman" legislation, the Office of Management and Budget (OMB) has proposed that federal support of public broadcasting be eliminated by 1992. At the very least, a loss of federal funds would alter dramatically the way the $800 million-plus public broadcasting industry works in this country. Right now, the bulk of federal money, which accounts for about a fifth of all public broadcasting operating funds, is sent through the Corporation for Public Broadcasting (CPB) to individual stations. The local stations, in turn, produce their own programming, some of which is then distributed nationally. During the 1970s, Congress set up a system to authorize funds to CPB in three-year increments. But in recent years, that process has become controversial and involved as budget levels drop. Hardly anybody in the public broadcasting community seems to believe the OMB proposal has much chance. Members of Congress have traditionally provided considerable support to public broadcasters. Though the Reagan Administration has called for greater private sector support, and individual donations to the noncommercial system have increased in recent years, those sources do not begin to make up for the decline in federal dollars which has already begun. One public broadcast figure noted that the lower levels of federal support undermined the confidence of private supporters in the public broadcasting system—and made fundraising that much harder. Several public TV stations in larger markets have turned to "enhanced underwriting," a kind of television advertising, though tame and reserved next to commercial station practices. About 15 are actually selling time on the air, thanks to a relaxing of rules which formerly prohibited the practice. Critics fear such a trend will make the noncommercial alternative programming of public stations too much like commercial operations with the constant stress on ratings and entertainment. (Based on a story in **Television/Radio Age,** Feb. 3, 1986, pp. 47-48, 104.) □

Alfred Sikes

The newest key player in development of American telecommunications policy has been confirmed by the U.S. Senate and has begun work as the head of the National Telecommunications and Information Administration (NTIA), a part of the U.S. Department of Commerce. Alfred Sikes, 46 years old, has most recently been a broadcaster with ownership interests in five radio stations in Missouri. In an early interview with the trade press, he expressed concern about the deficit in U.S. telecommunications trade and suggested that would be an early topic of concentrated effort. A graduate of Westminster College and of the University of Missouri law school, Sikes is married with three daughters, two of them in college. He takes over an agency first created in 1978 which acts as the Reagan Administration's spokesman for domestic and some international matters in telecommunication. He holds the rank of an Assistant Secretary of Commerce as the head of NTIA. (From information in **Broadcasting,** Feb. 24, 1986, pp. 38-39.) □

In Profile

UPDATE

Mergers Again: One Success and One Failure

Turner Broadcasting System finally closed the purchase of the MGM film studio for $1.7 billion in late March, giving Ted Turner the films, TV series and cartoons which he needs to feed his Atlanta-based superstation and other programming ambitions (see **Update 23,** p. 7). It seemed clear to financial observers that parts of the MGM package—which includes some 44 acres of Los Angeles real estate—would be sold off to reduce the debt load on Turner. It also appeared that the overall Turner operation, including the Cable News Network and its headline counterpart which made money for the first time only this past year, would show a loss for several years to come as the MGM purchase was absored. . . Meantime, while Turner scraped for months to finance his MGM acquisition, Marvin Davis, the former owner of 20th Century-Fox, tried and failed to buy out the CBS network. Davis's proposal was intended to be a friendly offer, with the cooperation and agreement of CBS management. Davis's offer of $160 a share, or $3.7 billion, was rejected in writing by CBS in mid-March. Only last year, CBS avoided an "unfriendly" takeover bid by Ted Turner for about the same amount of money (see **Update 10,** p. 5). This time the network maintained it wanted to stay independent of other companies—and that the amount offered was insufficient to cover the real value of the company, estimated by some to be around $220 or more per share if the company were broken up and sold piecemeal. Yet CBS stock remained active as industry observers noted

(continued on page 8)

FEATURES

Booknotes

The New Television Technologies by Lynne Schafer Gross (Wm. C. Brown Co., Dubuque, Iowa—price not given) is a 240 page paperback overview of progress—and sometimes lack of progress—among the many competing technologies in video. This is a revised and expanded second edition of a book first issued just three years ago, demonstrating the rapid changes in this field. And the discussion reflects a more conservative view of the potential for low power television, direct broadcast satellite, and teletext/videotex. Chapters devoted to each of these and other services provide a technical description, a brief historical summary, and analysis of the issues presently facing industry and government.

The American Journalist: A Portrait of U.S. News People and their Work by David Weaver and G. Cleveland Wilhoit (Indiana University Press, Tenth and Morton Sts., Bloomington, IN 47405—$25.00) reports the result of a national survey taken in 1982-83, and compares it with a similar survey taken in 1971. The result is a profile of newspaper, magazine, wire service, and radio-television journalists in the U.S., including their characteristics, education and training, job conditions and satisfactions, degree of professionalism, impact of changing technology on the journalist's job, and other comments drawing comparisons between 1971 and the early 1980s.

1986 WINTER SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (29:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:30)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC)					
	(35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago IL 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver CO 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

National Association of Broadcasters (Research and Planning Department), 1771 N St., N.W., Washington, DC 20036, USA (telephone 202-429-5379) for **Broadcast Marketing & Technology News,** a monthly, and other studies as cited.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854 USA (telephone 301-340-2100) for **Satellite News,** and **Telephone News,** weekly newsletters.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies.

Mergers, *from page 7*

it was the only network that did not change hands last year, and that there is clearly still interest from several parties to try and obtain control. (From **Broadcasting,** Mar. 31, 1986, p. 32.)☐

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

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Broadcasters Gather in Dallas

MAY 28 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

There was a heady air at the National Association of Broadcasters annual meeting in Dallas in mid-April. Attendance was up—to 39,000—and business was good. There were no burning issues to address either legislatively or on the regulatory front and reports from the field were that broadcasting's financial future was bright. Federal Communications Commissioner Mark Fowler's closing address caught some by surprise when he admonished the industry for holding onto the public trusteeship concept of regulation. His attack on the "public interest standard" of the Communications Act was at odds with the concerns expressed by others that deregulation may be getting out of hand. There appears to be a growing worry within the industry that the character of the broadcasting industry is being negatively affected by deregulation. FCC Commissioner James Quello and Congressman Al Swift are disturbed about the quick turnover in broadcast licenses that has occurred since the rule requiring a station to be held for at least three years was repealed by the FCC. Television broadcasters heard details of a new study of their future called "Great Expectations," which, as the title suggests, predicted a strong financial role for traditional broadcasting in the years to come, despite many newer delivery systems. Study author Paul Bortz also predicted, however, that syndicated programming costs which have doubled since 1980 (to nearly $1.7 billion in 1985) could increase to $2.3 billion by 1990. The highlight for most attendees, however, was the huge technical exhibit of equipment and services from over 600 firms for broadcasting and allied media. That exhibit included a special section on high definition television (see page 3), and many demonstrations of digital video tape recording (see page 2). (Drawn from **Broadcasting,** Apr. 21, 1986, pp. 35-39, and your editor's attendance in Dallas.) ☐

SHORT SUBJECTS

Nearly gone . . . When WNUV-TV in Baltimore stopped nightly subscription TV service early in April, it marked the end of an era, as the station was the last full-power over-the-air pay TV operation in the country. Now, only two low-power stations continue to offer such service to a few hundred subscribers in the Mid-west.

■

Universal appeal . . . "The Cosby Show" is not only heading the ratings in the U.S., but has also caught ratings fire around the world. Normally American comedies don't travel well in overseas syndication. The rest of the world isn't that familiar with popular black American comedian Bill Cosby. The success apparently lies in the program's clean family show audience appeal.

WORLDNET

(see page 8 for schedule)

In This Issue:

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Update: Concern over Takeovers and the Turner Watch 7

IA 1.16/2:

Ampex and Sony Agree on Digital Standard

Ampex and Sony buried the video tape recording hatchet with the surprise announcement just before the NAB convention (see page 1) of two major format agreements: (1) Sony will adopt Ampex's composite digital VTR (DVTR) format as well as the standard world component video format, and will help push for adoption of the composite unit as a standard. (2) Ampex will manufacture and sell Betacam analog videocassette (VCR) system developed by Sony, including the new "Betacam SP," which provides 90 minutes of recording on metal particle tape. Sony and Ampex had disagreed sharply on the approach to the first digital VTRs. Both introduced models at the NAB convention in Dallas with the advantage of providing editing flexibility by being able to make generations of copies with virtually no deterioration. (From **Television Digest**, Apr. 7, 1986, p. 3.) ☐

PanAmSat Joins with Peru

After much publicity about negotiations with Columbia to become its foreign partner in an international satellite system (see **Update 28**, p. 2), PanAmSat—in a surpirse move—announced in early April that Peru has agreed to become its foreign correspondent. PanAmSat officials are jubilant that the major hurdle has been overcome in establishing the Latin American system. The directive on the agreement from the Peruvian President's office was sent to the U.S. State Department inviting the U.S. government to enter into consultations with Intelsat on coordination of the system under Article 14D of the Intelsat agreement. Meantime, PanAmSat needs to move fast on financing and construction if it hopes to meet its commitment for an October launch date on the European Ariane rocket. PanAmSat expects to move quickly on its financial arrangements which have been on hold pending agreement with a foreign partner. PanAmSat will borrow close to $100 million to complete the construction and launch the satellite. PanAmSat will offer only non-public-switched voice and data service and will only compete with Intelsat's international business services. It will not compete with the consortium's Latin American service. Five of the PanAmSat transponders will be dedicated to Latin American service. Cygnus Satellite Corp.—which entered into a limited partnership with PanAmSat late last year—hopes to use the remaining transponders for North Atlantic service. (From **Satellite News**, Apr. 14, 1986, pp. 1-2.) ☐

HDTV Puts on a Show

Some of the most spectacular technology demonstrated at the NAB convention in Dallas (see page 1) was not on the exhibition floor, but was assembled in a special demonstration suite highlighting high definition television (HDTV). The 10,000 square foot show, organized by Sony but including equipment from more than two dozen manufacturers, is the largest held since the beginning of the decade when HDTV was first shown in the U.S. The demonstrated equipment focused on the U.S.-proposed world standard 1,125 line 60 Hz system (just a month before an important CCIR meeting on HDTV) and was the first display of a series of working subsystems: studio origination, display, film projection, post-production, film-to-tape transfer and graphics capabilities, routing and transmission. The many people attending the HDTV display had a feeling after the years of development that HDTV had arrived as a practical working integrated system. (based on a story in **Broadcasting**, Apr. 7, 1986, p. 46, and your editor's attendance in Dallas.) ☐

More on the Impact of Challenger's Loss

Loss of the Challenger space shuttle, plus the lower flight rate of a three-orbiter shuttle fleet, should result in delays of anywhere from 15 to 30 months. But the launch hiatus comes in a relatively down year for the commercial communications satellite business. In contrast to the substantial launch rates of 1984 and 1985, only 14 communication satellites were listed on the National Aeronautical and Space Administration (NASA) manifest between now and the end of fiscal 1988. Of these, two were Comsat's direct broadcast satellites which may not have been launched in any event. Intelsat has recently moved its scheduled launches to Ariane. And a substantial number of new satellites, in both C and Ku band are already in orbit. In fact, there is currently a substantial overcapacity in orbit, especially in C band. In effect, the loss of the Challenger will keep the capacity from expanding in the near future, thereby allowing demand to catch up to supply. For those whose satellites are stuck on the ground, a substantial investment will be tied up in unproductive capital; for those who have their satellities in orbit, higher utilization rates suggest greater profitability. One certain impact on satellite owners is a rise in launch costs. NASA has announced that it is not taking any more launch reservations, and in view of the backlog of existing Defense, NASA, and commercial payloads, the agency is unlikely to be a major player in the commercial communications satellite market before 1990, if it re-enters the market at all. Ariane recently announced a 20 percent cost increase, ostensibly in response to the change in the value of the dollar. The U.S. expendable launch vehicles, the Delta and Altas/Centuar, are proven, reliable technology, but their costs are typically 10-30 percent higher than the shuttle pricing schedule. It remains to be seen whether the increase in launch rates can be carried by a satellite industry that has already seen depressed earnings from overcapacity and the inroads of fiber optic competition. (From **Space,** March 1986, p. 13.) ☐

ISDN: Solution in Search of a Problem?

(***Editor's note:*** *Tony Newstead, formerly head of engineering for the Hong Kong Telephone Company, and now a consultant, explores the "other side" of ISDN in a three page commentary on this subject from which we excerpt a few main ideas.)*

Despite the plethora of plans, articles, public statements and rhetoric, there are many behind the scenes who are challenging the conventional wisdom of the telecommunication world's apparent headlong rush to embrace the integrated systems digital network (ISDN). In at least one of the largest manufacturers of digital equipment, staff are reported saying that it stands for "innovations subscribers don't need!" Joseph Weber, AT&T's director for strategic planning calls ISDN "a technologist's dream. It was invented and is being implemented by technologists in the absence of any compelling, specific applications." Ted de Haas, the U.S. Department of Commerce liaison officer to the CCITT on ISDN, pointed out in 1982 that "it does not pay to build a network to the highest requirement which for 80-90 percent of the time will be used for the lowest requirement." It is significant that none of the ISDN trials, in process or currently proposed, using the CCITT-developed standard, offers any services or facilities which are unavailable to subscribers today. They just perform the same function differently, but the user would be unaware of the difference. The acid test is therefore whether it is done more economically and/or with improved performance. Premature dedication to ISDN implementation based on current standards could be disastrous. In the long run, wideband optical fibre distribution will be extended down to subscriber networks, giving a much expanded concept of ISDN, encompassing video interactive and entertainment services as well as telephony, data, and other non-voice services. Meanwhile the special purpose data and other networks are proliferating and are proving economic and effective. ISDN, over the next decade at least, must therefore be a halfway house between the initial standards of today—with internetwork access rather than full integration—and the wideband ISDN of the future. (From **Telecommunications Policy,** Mar. 1986, pp. 2-4.) ☐

REGULATION

Changes Coming for AM?... At the beginning of April, the Federal Communications Commission (FCC) released its much-anticipated "Report on the Status of the AM Broadcast Rules." Amidst concern about declining audiences for the oldest broadcast service, the FCC proposed many changes. Some of the rules are 60 years old, and the AM business has changed and grown radically in that time period. One proposed change would reduce the evening sky wave interference protection long enjoyed by "clear channel" AM stations as they are no longer as important as providers of nighttime service to rural areas, given the increasing number of stations on the air in recent years. Such a change might permit present daytime-only AM stations to broadcast into evening hours, offering more service to local areas. Another area targeted for possible change is ownership rules—the FCC may allow ownership of two AM stations in the same market if there is sufficient competition present. Further, the commission may relax long-standing rules against ownership of an AM and TV station in the same market, and of a newspaper and AM station in the same market. The report will be subject to public and industry comment for several months and any FCC action would come in the Fall at the earliest. (Based upon information in **Broadcasting,** Apr. 7, 1986, pp. 35-38.) □

Scrambling Delay?... Some cable network operators and system owners say that a U.S. Department of Justice inquiry could delay scrambling of satellite-delivered TV signals. The focus of the inquiry appears to be the question of exclusivity in making scrambled programming available. An official of the Department's antitrust division noted that "The fact that we have issued Civil Inquiry Demands (CID) does not indicate that a violation of law has occurred." Meantime, both Showtime/The Movie Channel, and Turner Broadcasting continue their plans to begin scrambling. The Justice Department inquiry is broad and could result in a court-ordered restraining order limiting or stopping the scrambling process. The inquiry appears aimed at a concern that the cable industry might have illegally conspired to develop an industry-wide scrambling plan, in violation of U.S. antitrust laws. Congress may also consider a moratorium given the substantial pressure on that body coming from owners of back yard antenna dishes. (Drawn from information in **Electronic Media,** Apr. 7, 1986, pp. 1, 33.) □

Paying for Regulation... President Reagan in mid-April signed legislation that establishes cost-of-regulation fees for users of Federal Communications Commission-regulated services. For broadcasters, the FCC user fees include charges of $30 to process renewal applications, $1,800 for an FM station application, $2,000 for an AM application, and $6,000 if a hearing must be held on an application or renewal. The highest fees include $17,500 for a direct broadcast satellite construction permit, and $18,000 for authority to launch and operate a space station for receive-only earth stations. The law takes effect about a year from now. Congress adopted the charges as a way to cut the federal deficit—and several other agencies already have similar charges. (From **Electronic Media,** Apr. 14, 1986, p. 28.) □

A New News Service

Is there room for another wire service to compete with the Associated Press (AP), Reuters, and United Press International (UPI)? Peter J. Wirs of Philadelphia believes there is and has announced his intentions to start "the world's largest." The Federated Press (FP) would be a "member-sponsored, profit-sharing consortium wire service" with 343 domestic and 374 foreign bureaus and some 4,000 employees. FP will be "a cross between" AP and Reuters, he added, and will "resell the editorial services and communications technology that we are putting together" to the commercial and government sector; FP's stock would be publicly traded, with profits shared among FP's employees, members and shareholders. To get started, however, the new competitor must obtain a sufficient number of membership commitments. Prospective members are not being asked to pay up front, but to sign a letter of intent that is contingent on the service's starting up 123 days later. Wirs was an unsuccessful bidder for UPI last year. FP, which Wirs said currently has a commitment from one "major broadcast group," will need 655 daily newspapers, 200 TV stations, and 450 radio stations, to raise the $368 million needed to operate FP for a year. At the end of the second year, he said, "in all likelihood, the members won't have to pay a cent because the annual member apportionment will come out of the earned income." FP could be operating by September, if all goes well. (From **Broadcasting,** Mar. 31, 1986, p. 69.) □

Network News Personnel Cuts Continue

Continuing personnel and budget reductions that began shortly after ABC was taken over in January by Capital Cities, ABC News last week cut its work force by about six percent (70 persons) through discharges and early retirements. Also feeling the budget ax were the radio division and art department, with the latter being nearly wiped out. Further cuts are said to be coming soon in other departments including the TV stations division. No ABC on-air personnel were cut by News, with firings across the rest of the board, from clerical help to producers affecting all news programs. Before the cuts, ABC News had a staff of about 1,150 and budget of about $250 million. CBS News, which dropped more than 100 last fall, and NBC News each employ about 1,300. (From **Television Digest,** Apr. 7, 1986, p. 5.) □

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

June 2-5—*ABC-TV* annual affiliates meeting. Century Plaza, Los Angeles.

June 8-11—*NBC-TV* annual affiliates meeting. Hyatt Regency, Maui, Hawaii.

June 11-15—*Broadcast Promotion and Marketing Executives/Broadcast Designers Association* annual seminar. Loew's Anatole, Dallas. Future conventions: June 10-14, 1987, Peachtree Plaza, Atlanta; June 8-12, 1988, Bonaventure, Los Angeles, and June 21-25, 1989, Renaissance Center, Detroit.

(continued on page 6)

PROGRAMS

A New Kind of Program Import

In the early morning hours of July 24th, earth stations at TV stations across the country may be tuning to Westar IV to receive a different kind of programming service from the International Television Network (ITN) of Salt Lake City. Using leased satellite time on Westar IV, the start-up company plans to deliver four hours of "very high quality" foreign programming early in the morning to broadcast station affiliates. It doesn't have any affiliates yet, but is talking to stations in many of the top markets. Affiliates will be free to use all or part of the programming live, or tape it for later use. Though ITN's programming will comprise material produced from around the world, most of it will come from one source—the Special Broadcast Services, one of Australia's government-owned television networks, which collects international programs for prime time broadcast "down under." ITN will also carry entertainment from Germany and France, including serials, some movies and some documentaries. The program split will be about 80 percent entertainment and about 15-20 percent documentary. Initially about half will be English language material. Those programs not produced in English will have English subtitles. ITN plans to fill most of the advertising time (10 to 12 minutes per hour) with direct-response ads. (From **Broadcasting,** Apr. 7 1986, p. 158, and **Satellite News,** Apr. 14, 1986, p. 3.) □

CABLE—TV

Cable Costs Going Up

According to a top industry analyst, major multiple cable system operators will be raising basic cable subscription rates by 10 to 15 percent next year, significantly improving cash flow and enchancing the value of their cable systems. At the first day of 1987, provisions of legislation passed by Congress in 1984 eliminate municipal regulation of basic cable rates. Over the past several years, basic cable rates have increased an average of four percent a year while the quality and quantity of basic cable programming has increased sharply. The cable operator's profit margin on basic service is much higher than it is on pay cable channels. On the other hand, pay cable system growth all but stopped two years ago and rates for those services will remain the same, or even drop slightly, thus offsetting the basic cable rate increase. (From **Broadcasting,** Mar. 31, 1986, p. 10.) □

RESEARCH
& Technology

Caution on People Meters

The national ratings services shouldn't base their TV audience measurements on people meters (see **Update 22,** p. 6) until the devices have been fully tested and results validated according to the National Association of Broadcasters, and the TV networks. In a letter to the three firms testing the people meter devices, NAB vice president John Abel charged "competitive pressures, not research concerns, are driving the people meter introduction in the marketplace. The risks of this hasty race appear to be high and unnecessary." Abel told the firms—Arbitron, Nielsen and AGB TV Research—that NAB believes that "a proven, valid, and reliable" people meter system can't be operational by September, when the services hope to start. He urged a delay in full implementation at least until a Committee on Nationwide TV Audience Measurements study of various methods is completed in early- to mid-1987. (From **Television Digest,** Apr. 14, 1986, p. 9.) ☐

CBS Rules Out Serving TVROs

CBS has ruled out any possibility that its programming will be made available directly to home satellite dish owners. The network, which plans to have its satellite feed to affiliates fully scrambled by the first quarter of next year, said in a position paper issued early in April that it "is very concerned about a small percentage of TV households"—some 400,000 or less than one percent—that can't get a CBS station signal either off the air or from cable, and "is committed to finding ways to expand its reach." CBS said the network and its affiliates have formed a task force to study ways to achieve that, including increased use of translator and repeater stations (kinds of very small TV transmitters), but added that "satellite-related means of reaching unserved homes is not being considered." (From **Television Digest,** Apr. 7, 1986, p. 11.) Just as CBS made this statement, the FCC made clear before a congressional hearing that getting more translator stations on the air was hampered by budget restrictions. Further, if the FCC had to choose between a translator providing a network signal, and a potential competitor offering a community-oriented signal, the government agency might get involved in content issues. (From **Television/Radio Age,** Mar. 17, 1986, p. 32.) ☐

New Spanish Language Service

A Spanish-language TV network in the U.S. to compete with the Spanish International Network (SIN) has been announced by Radio Caracas Television (RCTV), with a debut planned for September. It is understood the network will be called Latinet and will be on the air seven days a week with five hours of programming daily. The new Hispanic network will originate programming in Miami, and transmit its schedule from 6 to 11 p.m. The network will feature "novelas," (soap operas), variety shows and movies. RCTV claims to be the largest producer of telenovelas in the world, supplying Mexico and other Latin American markets, and is presently a major supplier to SIN. It is believed that as Latinet goes head-to-head against SIN, that RCTV will gradually phase out of its role as a SIN program supplier. (From **Television/Radio Age,** Mar. 17, 1986, p. 32.) ☐

Datebook, *continued from page 5*

June 14-18—*American Advertising Federation* national convention. Grand Hyatt, Chicago.

June 19-22—*NATPE International* second annual production conference. Adam's Mark Hotel, St Louis. Information: (212) 757-7232

June 22-25—*Cable Television Administration and Marketing Society* annual convention. Westin Copley Plaza, Boston.

July 23-25—Eastern Cable Show, sponsored by *southern Cable Television Association.* Atlanta Market Center, Atlanta.

In Profile

Marcel Joseph

He may hold the title of president, but since joining Communications Satellite Corp. (Comsat) a year ago, Marcel P. Joseph has acted more like a drill sergeant. His charge: taking a pudgy, 20-year old company made soft by regulation and whipping it into fighting shape for the rough-and-tumble deregulated telecommunications marketplace. He emphasizes the future, saying Comsat will only enter businesses that promise "a very high probability of yielding a return on investment better than the return on regulated businesses." The rate of return for regulated businesses is in the low teens. Joseph foresees Comsat being a much larger company in the 1990s, saying new activities will stem from Comsat's strength in systems engineering and network services. As he puts it, deregulation has forced Comsat to change "our perception of ourselves from a quasi-governmental agency to a market-driven competitor." Just last October he was promoted from executive vice president to be Comsat's chief operating officer. His background was in plastics and transportation products at General Electric before joining Comsat, and he'd like to increase the 12 percent of Comsat revenues which come from manufacturing, mainly for Defense Department contracts. (From **CommunicationsWeek,** Apr. 14, 1986, pp. 31, 45.) ☐

UPDATE

Concern over Takeovers... Leonard Goldenson, who turned over his ABC company to Capital Cities in January (see **Update 22,** p. 6), has expressed concern about the future of many companies because of the "frenzy" of takeover activity—in broadcasting as well as other industries. Goldenson said American business seems to have forgotten that the future depends on creating new ventures and expanding successful ones, "not on refinancing or dismembering those that already exist. We seem to be forgetting that, if it's cheaper to buy a company than start a new one, we will invest only in the past and mortgage the future." Goldenson said major concern should be over the rising amount of debt created by such actions. On the sale of his own firm, Goldenson said it had been essential "to ensure the continuity and future of ABC and the life's work of myself and many of my colleagues." (From **Television Digest,** Apr. 7, 1986, pp. 1-2.)

The Turner Watch... In September, Ted Turner must pay $600 million on the $1.7 billion debt owed by Turner Broadcasting System (TBS), largely because of the purchase of the MGM movie studio. Yet TBS is expected to post a $200 million loss for the year. Eventually, if it cannot find ways of paying off enough of the debt or making the company profitable, TBS could be forced to pay back its creditors with shares of company stock—which would threaten Mr. Turner's current 80 percent control. Analysts, competitors and other Turner-watchers are awaiting the next action from Atlanta-based TBS as it threads its way through the financial minefield. A likely option: sale of one or more assets to generate funds. (Drawn in part from **Electronic Media,** Apr. 7, 1986, pp. 1, 30.)

FEATURES

Booknotes

The International News Services by Jonathan Fenby (Schocken Books, 62 Cooper Square, New York, NY 10003, USA—$19.95) is the first lengthy discussion of the five major news agencies (AP, UPI, Reuters, AFTP, and TASS) to appear in several years. An English journalist, Fenby discusses how the "big five" developed, and the many roles they play. He explores their business, operations, finance, relations with news agencies in other countries, criticisms of their role, and their likely future. This is 275 pages of important reading in the debate over a New World Information Order.

Marketplace for Telecommunications: Regulation and Deregulation in Industrialized Democracies edited by Marcellus S. Snow (Longman Inc., 95 Church St., White Plains, NY 10601—$34.95) collects eleven world experts who contribute chapters on recent policy developments in the U.S., France, West Germany, the United Kingdom, Canada, Japan, and Australia. In addition, overview chapters assess free entry into telecommunication (both common carrier and electronic media), the political and institutional context of communication policy, divergence of policy on both sides of the Atlantic, and an agenda for future comparative research. The 304 page work is a highly useful handbook of current trends and likely developments in a time of transition.

1986 SPRING SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (28:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (36:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St. N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

Butterworth Scientific Ltd., P.O. Box 63, Westbury House, Bury St. Guildford, Surrey GU2 5BH, United Kingdom (telephone 0483-31261) for **Telecommunications Policy,** a quarterly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, IL 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, CO 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854 USA (telephone 301-340-2100) for **Satellite News,** a weekly newsletter.

Shearson Lehman Bros Inc., American Express Tower, World Financial Center, New York, NY 10285-1400, USA (telephone 212-298-3518) for **Space,** a monthly.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, DC 20036, USA (telephone 202-872-9200) for **TV Digest,** a weekly.

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

A PUBLICATION OF THE U.S. INFORMATION AGENCY TELEVISION & FILM SERVICE

Number 30 Washington, DC 20547 May 1986

First Plans for What May Become a Fourth Network

Insisting that the new venture does not constitute a "fourth network," Fox Broadcasting Co. (FBC) President Jamie Kellner early in May disclosed plans to launch a regularly scheduled "satellite-delivered national program service for independent stations" beginning early in March 1987. (Independent stations are those not affiliated with one of the three major national TV networks.) The FBC service (part of the Rupert Murdoch media empire) will start as a two-hour prime time (8-10 p.m. East Coast time) feed of original series programming one or two nights each week and is expected to expand to other nights and at least one other part of the day in subsequent months. Kellner also said FBC will premiere a yet-untitled, one-hour, late night (11 p.m.-midnight East Coast time) entertainment program "in the fourth quarter of this year." The service is expected to begin on Sundays, with Saturday and other weeknights to be added if the initial programming is deemed successful. "Our plan is that we should add a night each year," Kellner explained. "We're going to roll out a very slow year-by-year fashion and then based only upon ratings success of the original programming, to give the stations time to exploit the library." Announcements will be made soon about affiliate stations—but added to the six independent Fox-owned TV stations (acquired from Metromedia—see **Update 4,** p. 1) they will account for at least 21 of the largest 25 markets. Fox is now actively soliciting stations, advertisers and program suppliers for their participation in the service, which the studio eventually hopes to distribute to all of the top 80 markets serving more than 85% of all television homes. Although he acknowledged that motion pictures will be an important component of the new service Kellner stressed that original comedies and dramas will be showcased. (From **Broadcasting,** May 5, 1986, pp. 36-37.) □

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SHORT SUBJECTS

World's largest ad agency will result from announced merger of three large advertising agencies. Batton, Barton, Durstin and Osborne (BBDO) will merge with Doyle Dane Bernbach, and Needham Harper Worldwide. The new firm will boast employment of 10,200 and handle about $5 billion a year in advertising billings. BBDO will be the dominant partner with 65 percent of the shares.

■

Three decades of video history were given to the library of Congress in Washington in April. The NBC television network donated its entire collection of TV programs for the 1948-1977 period, including some 20,000 kinescopes, as one way of celebrating its 60th anniversary (NBC radio began in September 1926). The Library will catalog and make the collection available to researchers.

WORLDNET

(see page 8 for schedule)

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Viacom Expands 6
Profile: Stanley Hubbard 7

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Dallas: Technology Scoreboard

Video recording took a giant leap toward its next generation at the recent NAB convention (see **Update 29,** p. 1) with showings of greatly enhanced half-inch formats and the first digital video recorders. But in highlighting the future of the medium, manufacturers presented users with some difficult choices among new, and in some cases, incompatible approaches. Broadcasters pondering the state of small-format video, for instance, had much to consider with the showcasing of new, and still incompatible, half-inch systems from Sony and Matsushita. Matsushita revived its hopes for a key role in the half-inch video business with the combined introduction of its new M-II family of products, using an improved metal particle videotape formulation, and a nearly simultaneous announcement by NBC of a $50-million, five-year commitment to the system. Sony also showed an embryonic metal particle videotape version of Betacam, dubbed Betacam SP (superior performance), and reasserted its current dominance in field recorders by garnering support from several major manufacturers promising to build equipment to the new format. Compatibility between Beta and Beta SP, which can interchange tapes for playback but are limited to recording and editing SP tapes on an SP deck, is a critical consideration, according to Sony spokesmen, because there are an estimated 6,000 Betacams in the U.S., many of them at Betacam's 200 TV station users, with a total 25,000 Betacams worldwide. Beta SP was only shown in experimental form—commercial product will probably not be available until 1988. . . In the volatile production and post-production side of the video equipment marketplace, the trend toward integration of companies with complementing product lines has been evident for the past few years. As a result, at the recent convention there were several exhibitors where a TV station or production house could one-stop shop for many of its production needs . . . If there was a hot product line at the show it was probably the three dimensional (3-D) animation systems, which allow the user to create objects in three-dimensions and to animate them in three dimensions. The prices of the systems vary as greatly as their capability and performance—from $75,000 to as much as $250,000 . . . The domination of the broadcast studio and portable video camera business by Japanese manufacturers such as Ikegami, Hitachi and Sony was clearer than ever at this year's exposition. European manufacturers Bosch and Philips are joining forces, however, in an attempt to remain strong in the field, with similar efforts being made by the French firm Thomson-CSF. (From **Broadcasting,** Apr. 28, 1986, pp. 46, 50, 56, 58 and 59). ☐

Stereo TV Progress

Although programming availability and quality are seen as the greatest problem facing multichannel and sound telecasters, on average stations are managing to broadcast quite a bit of it—5.6 hours of local stereo programming, 5.1 hours of syndicated stereo programming, and 9 hours of network stereo programming a week. And 87 percent of them broadcast synthesized stereo when no true stereo programming is available. These are some of the results of a new telephone survey of 200 stations of the 250 total stations now offering stereo. Only 8.5 percent of the 200 surveyed stations are using the optional secondary audio program (SAP). Another 16.5 percent will use SAP in the near future. The most common current and planned application of SAP is for bilingual programming (offering an audio track in two languages at once). In addition to program availability problems, stations noted engineering concerns (29 percent), low stereo receiver penetration among consumers (28 percent noted this), the fact that few cable systems carry stereo sound (9 percent cited this), and fully a quarter of the stations now in stereo expressed fear stereo will never generate sufficient extra revenue to cover the cost of conversion. The average conversion cost was about $100,000. (From **Television Digest,** Apr. 28, 1986, p. 14.) ☐

NASA "Delta" Rocket Loss

Still in the throes of the investigation of the Space Shuttle Challenger disaster of late January (see **Update 24,** p. 1; **Update**

29, p. 3), the National Aeronautics and Space Administration (NASA) had another set-back in early May. In the first NASA launch attempted since the Challenger loss, an unmanned Delta rocket carrying an important weather satellite was lost just over a minute after its launch. The rocket prematurely lost power in its main state, and had to be blown up by a range safety officer as it veered off course. The Delta rocket has had an outstanding record of success over the more than two decades it has been used. (In April, the U.S. Air Force lost a Titan 34D rocket carrying a military satellite in an explosion just after launch from Vandenberg Air Force Base in California. Thus there was added pressure on this Delta launch as government and private sector satellites back up awaiting a launch vehicle.) An investigation is underway to determine what happened in the NASA launch. Initial reports from ground telemetry suggested an electrical short in the rocket may have been the cause of the premature shut-off. ☐

New "SyndiStar" Service Announced

BrightStar Communications of America Inc. announced at the NAB convention that the company will begin to transmit syndicated television programs and commercials via satellite to television stations in the United States and abroad through "a newly created, first-of-its-kind satellite program delivery system." Dubbed SyndiStar, the new service is the first to provide both C- and Ku-band facilities for international transmission of television programming. The service will use RCA American Communications' Satcom K-2 for Ku-band delivery in the United States. More than 660 commercial domestic TV stations already have antennas fixed full-time on Satcom K-2 (see **Update 19,** p. 1). SyndiStar will be the first service of its kind to transmit syndicated television programming and commercials outside the United States. SyndiStar will use satellite time on the Intelsat Atlantic Ocean satellite and later this year will add Ku-band capacity for broadcasters throughout Europe. SyndiStar spokesmen noted a dramatic increase in exchange of programming between U.S. and European producers and distributors. (From **Satellite News,** Apr. 21, 1986, pp. 2-3.)☐

New Video Telephone

Luma Telecom Inc., a Santa Clara, California subsidiary of Mitsubishi Electric Sales America announced in late April what it claims is the first practical video phone for everyday business and home use. Its $1,450 Luma phone can make black-and-white still pictures and transmit them over ordinary phone lines. Installation requires only plugging into an electric outlet and a standard modular telephone wall jack. Transmission takes one to five seconds and the "snapshot" view is displayed on a three inch screen on both the sender's and receiver's phone—as long as both sender and receiver are using a Luma. Hard copies of the snapshots can be made with a separate $1,000 video printer available from Mitsubishi. Industry observers called the system a prototype for things to come. Though Luma is the first video telephone priced low enough to begin competing with voice-only phones, the product is not unique. A Texas firm already has 400 somewhat similar systems in place—but at a price of $8,550 each. The Image Data Photophone offers a nine inch screen, much higher resolution (including the ability to transmit readable text) and a variety of other high-end features. An Image Data spokesman said his company welcomes the Luma entry because it will help validate the concept of freeze-frame transmission of black and white images over standard telephone lines. In a league by themselves, meanwhile, are full-color, full-motion video telephone systems priced in the $150,000 dollar range and requiring special 56 kilobit-per-second digital phone lines which cost $50 an hour. Luma projects sales of 8,000 to 10,000 units this year. (From **CommunicationsWeek,** May 5, 1986, pp. 1, 37.) ☐

REGULATION

- **Libel judgment. . .** In a major libel law victory for the media, the U.S. Supreme Court has ruled in a 5 to 4 vote that a private individual who sues for libel must prove that a news account was false, establishing a uniform rule for all 50 states in what had been a patchwork of different procedures and standards. The case involved news stories published a decade ago in a Philadelphia newspaper that said U.S. investigators had linked a businessman to organized crime and that he used those links to influence state government actions. The new decision was limited, however, to lawsuits filed by private persons (not government officials who must meet an even higher standard) on stories involving matters of "public concern." The court did not define what "public concern" meant. (From **Television Digest,** Apr. 28, 1986, p. 6.)

- **Satellite pirate strikes. . .** One of satellite programmers' worst nightmares came true in late April when HBO's eastern program feed was interrupted for about five minutes by an opponent of signal scrambling. The incident appears to be the first confirmed case of deliberate signal jamming. The following message appeared on HBO viewers' screens beginning at about 12:30 am Eastern Standard Time on a Sunday morning over a color-bar test pattern background: "Good evening HBO from Captain Midnight. $12.95 a month? No way! (Showtime-Movie Channel Beware.)" The message protested the announced monthly charge from HBO to home receiving dish owners—and warned a competing service they might have the same interruption. HBO had received threats for months that something like this might happen. Experts said that "Captain Midnight" had to have both considerable expertise and a lot of power to blanket the HBO signal. Industry and federal officials are investigating the indicent which violated federal law. (From **Communications Daily,** Apr. 29, 1986, p. 2.)

- **More AM stations. . .** The western hemisphere meeting on planning the use of 100 kHz of spectrum space that has been added to the AM band ended in Geneva on the first day of May, one day ahead of schedule, with U.S. officials expressing satisfaction with the results. Its major objectives, in terms of planning procedure and power, were achieved. James McKinney, the chief of the Federal Communication Commission's Mass Media Bureau (see **Update 18,** p. 7), who headed the U.S. delegation to the three-week session, said the conference could result in the establishment of 500 new AM stations in the U.S. on the 10 new channels. The conference will not be concluded until the completion of a second session, in 1988. But McKinney said stations could be operating in the new band—from 1605 to 1705 kHz—by 1990. He said three groups of broadcasters would benefit particularly from the work of the conference—minorities, noncommercial operators, and present AM stations limited to daytime operation. As for planning procedure, the session adopted the U.S.-Canadian proposal for an allotment approach. It permits flexibility in planning and, U.S. officials said, will provide for a limited but equitable number of channels in international border areas. (From **Broadcasting,** May 5, 1986, p. 42.) ☐

Satellite News Gathering Update

Two years ago at the NAB convention in Las Vegas, Hubbard Broadcasting (see **Profile** on p. 7) offered broadcasters a unique package: a small Ku-band uplink built into a small truck and a membership in Conus Communications, a cooperative that promised to connect mobile uplinks for the exchange of news feeds. The offering, which brought the full power of satellite communications within the reach of most TV station news departments, was a big hit, triggering the satellite newsgathering (SNG) revolution. Conus and the Florida News Network, the first of the Ku-band SNG news cooperatives, shook up the broadcast networks. The cooperatives, which coordinate satellite services as well as news exchanges among members, threatened the networks by interceding in the long-standing relationship with their affiliates. The networks have traditionally relied on their affiliates for exclusive coverage of local events of national interest. As a result, the networks have been induced to set up SNG services and exchanges for affiliates in hopes of keeping them from straying. Of the three networks, only NBC seemed to have a solid SNG plan to talk about at the NAB convention. To encourage affiliates to purchase SNG vehicles, NBC is willing to pay for half of each vehicle (up to $150,000) over five years. And to ensure that the news network has a standard communications system, NBC is also willing to pay for the communications package that goes into each vehicle, a Harris system costing about $30,000. And, the affiliates are paying a price for entry into SNG with the network. They have agreed to return some advertising time for network sale and will have to pay for satellite time used at a rate of $14 per minute with a five-minute minimum per month. Going head-to-head with Conus and NBC in trying to establish an SNG satellite service and news exchange is Ted Turner's Cable News Network's Newsbeam. Comsat General's "SkyBridge" and RCA American Communications announced new services at NAB. Today, dozens of stations own SNG vehicles and belong to some SNG exchange. What's more, scores, possibly hundreds, of other stations are making SNG plans. At the NAB convention in April (see **Update 29,** p. 1), numerous companies vied to meet the expected demand for SNG hardware and services. So many companies were in the market that there was already talk about a shakeout. The consensus among exhibitors was that several hundred vehicles, ranging in price from $175,000 to more than $300,000, not including video gear, would be sold over the next several years. The SNG vehicles and related equipment are of little value without ready access to Ku-band satellites, not only for video channels but also for voice circuits between the vehicles and the rest of the world. The various purveyers of satellite capacity and communications interconnects were offering a variety of pricing options at the NAB. (From **Broadcasting,** Apr. 28, 1986, pp. 54, 56.) ☐

PROGRAMS

Cable Newscasts

Some cable system operators have begun producing local newscasts in areas without stiff broadcast competition. There are indications that the trend, while limited thus far, may soon widen, partly under the impetus of larger multiple system operators (MSOs). ATC, the second largest MSO, has targeted a June beginning for a local half hour newscast in Ithaca, New York. A spokesman said the idea is also being considered for medium-sized markets and suburban systems in metropolitan areas. Meanwhile, the largest MSO, TCI, is considering working closely with local newspapers and even TV stations to produce newscasts in some areas. Cable newscasts make sense only in areas unserved or underserved by TV stations. Such programs hold the potential of making cable subscriptions considerably more attractive, operators say. One MSO's newscasts, under the title Local Cable News, use production assistants and other personnel from systems' local origination channel to supplement two anchors and a single reporter staffing each telecast. The anchors and reporters take cameras to assignments. Another spends about 20 cents per subscriber monthly to produce newscasts—comparable to the affiliate fees charged by some cable networks. (from **Television Digest,** Apr. 28, 1986, p. 4.) ☐

CABLE—TV

New Cable Network

Tele-Communications Inc. (TCI) is examining prospective cable operations in six of the top 20 TV markets to help set up its new national cable network. By the end of this year, the company plans to create a new network by linking major-market cable operations around the country. Programming on the network would consist of sports, barter-supported syndicated shows and local productions. TCI has also talked to Hollywood studios about the studios progrmming blocks of daytime hours for the cable operators. TCI's concept includes joint ownership of the regional channels with operators in those markets. Those operators would pay monthly fees based on subscribership to help fund the cable network. (From **Electronic Media,** Apr. 21, 1986, p. 3.) ☐

RESEARCH
& Technology

Ads on Pay Cable?

Viacom International (see story on this page) is studying the feasibility of placing some limited form of advertising on its pay networks Showtime/The Movie Channel, and the Viewer's Choice pay-per-view services. Viacom has commissioned a series of studies on the subject, with preliminary indications implying that pay subscribers would not strongly object to commercials. Terrence Elkes, president of Viacom said the company was "doing a fair amount of research" on the subject, although he emphasized that the initial results were tentative and any decision on advertising would take time. Another spokesman said there were no plans at present to place advertising on any of Showtime's services. At Showtime's chief pay rival, industry leader HBO said the advertising idea was one that the network had looked at a long time ago and concluded was not feasible. (From **CableVision,** Apr. 14, 1986, p. 11.)□

Viacom Expands

At a time when most companies are tightening the purse strings, Viacom International is expanding by great bounds. The company is already one of the most diversified in the communications business, with major interests in television syndication, cable system operation, pay and basic cable programming, ownership of TV and radio stations, and even some equity interest in a movie studio, Orion Pictures. Its numerous major acquisitions over the past year or so have caused the company to run up a debt of nearly $750 million—considered by company officials as a handy buffer against hostile takeovers. The company is poised to spend another $1 billion this year on acquisition of cable systems and programming. At this point, the future seems to promise even more prosperity. NBC's top-rated "The Cosby Show," to which Viacom has syndication rights beginning in 1988, is alone expected to generate at least $125 million in profit for the company. As one of the largest domestic programming distributors, Viacom owns the off-network syndication rights to more than 4,200 half-hour series episodes, more than 1,300 one-hour action-adventure series episodes and more than 1,100 feature films. It also owns the successful Music Television (MTV) cable rock music program channel, purchased in November, and controls the second-largest pay cable network, Showtime/The Movie Channel. (From **Electronic Media,** Apr. 21, 1986, p. 17.) □

More Staff Cutbacks at ABC

Capital Cities/ABC is expected to complete ongoing staff cutbacks by late May, by which time it will have eliminated another 400 to 600 positions company wide. Company officials won't say where the additional cuts will be made. But one heavily staffed area that has not yet been affected is broadcast operations and engineering, where layoffs are affected by union contracts. More than 400 full-time management and staff positions have been eliminated in areas such as news, sports, administration, finance, public relations, radio and the owned television stations since Capital Cities took over ABC on Jan. 3 (see **Update 22,** p. 6). (From **Electronic Media,** Apr. 21, 1986, p. 28.) Meantime, the ax has fallen at ABC-owned stations. Reports varied as to how many staffers were let go at each station, but it's believed New York and Los Angeles stations each let go between 80 and 100 employees, while Chicago laid off 35 and will eliminate another 35 by yearend. In San Francisco, about 40 slots were eliminated. (From **Broadcasting,** Apr. 21, 1986, p. 128.) □

Stanley S. Hubbard

Stan Hubbard has a vision of the new television industry—and it doesn't involve domination by the traditional three-network system. With an electronic media empire estimated to be worth close to $200 million, Mr. Hubbard has the money to translate his ideas into reality. Although his Conus satellite news gathering operation has been up and running for less than two years, the networks have already been forced to respond (see pages 4-5). Less of a sure bet, but potentially more damaging to the networks, is his fledgling USTV operation which uses RCA's new K-2 satellite (see **Update 19,** p. 1) and can already reach 360 stations with the entertainment programming he plans to transmit. And then there's United States Satellite Broadcasting, his direct broadcast satellite (DBS) project which is the longest shot of all. Despite heavy investments, Hubbard is doggedly pursuing visions of DBS, which would mean bypassing of networks and stations, transmitting direct to homes. All of this is built on Hubbard Broadcasting, based in Minnesota, of which he is chairman, made up of five TV stations and five radio stations. His father began the company back in the 1920s. For the future, there are five young Hubbards working in various positions in the Minneapolis TV station and the satellite operations. The closely held Hubbard empire seems destined to continue as a family operation. (From **Electronic Media,** Apr. 14, 1986, pp. H1, H18.) □

In Profile

UPDATE

The End for Comsat's DBS?

Satellite Television Corp.—the Comsat subsidiary that pioneered the concept of high-power direct satellite broadcasting in the United States in 1980, began construction of two DBS satellites a year or so later, but subsequently had to "redirect" its DBS business efforts—announced in mid-April the "conditional" sale of the satellites and related assets to Dominion Video Satellite Inc. of Naples, Florida. "The sale," according to a Comsat spokesman, "is conditional on Dominion meeting certain financing milestone amounts in escrow between the date of the agreement and the date of the closing." Dominion has agreed to purchase the satellites and related assets by December 15, 1986. The purchase price was not disclosed. The book value of the satellites, to be finished by year's end, is about $147 million. Though Comsat will continue to talk with others who might be interested in the satellites, Dominion until December 15th has a first right of refusal. Among the related assets sold are the RCA launch services which are part of the construction contract and related equipment and software. Industry sources question Dominion's ability to raise the capital necessary to complete the transaction, observing that Comsat had little to lose in announcing the conditional sale. According to one source, Dominion Video plans to establish several channels of free Christian religious programming, including Pat Robertson's Christain Broadcast Network, as well as a pay-per-view channel. The future service would be promoted by television evangelists encouraging viewers to sign up—and pay—in advance for the service. Escrow payments from Dominion to Comsat would be made by funds realized from presubscription to Dominion's planned services. (From **Satellite News,** Apr. 28, 1986, p. 8.) □

FEATURES

Booknotes

Great Expectations: A Television Manager's Guide to the Future by Paul Bortz, et al. (National Association of Broadcasters, 1771 N St., N.W., Washington, DC 20036—$80.00, paper) is the research study first presented at the recent annual NAB convention in Dallas (see **Update 29,** p. 1). The 136 page reference book is directed to TV station managers as a guide on how to deal with the economic and technical changes coming in the future. The chart and text chapters include discussion of demographic trends in the TV audience, status of cable and other pay television technologies, researching the TV audience, broadcast television advertising trends, status of the program syndication market, station financial operating characteristics, audience measurement, trends in broadcast technology, and regulation. This is a fine guide to many current aspects of American electronic media.

Global Information and World Communication: New Frontiers in International Relations by Hamid Mowlana (Longman Publishing, 95 Church St., White Plains, NY 10601—price not given) is described as "the first comprehensive analysis of the global flow of information . . . in the context of international relations." A member of the American University faculty, Mowlana here pulls together the work of many scholars to provide chapters on (among others) national and international broadcast images, the cultural industry (books, periodicals, films and advertising), transborder data flows, resource information flow, implications of tourism, cultural and educational dimensions of human flow across borders, developing national systems and policies of information technologies, new frontiers in international relations, and an overall view of information flow.

(these reviews from **Communication Booknotes,** April-May 1986 issue.)

1986 SPRING SCHEDULE

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8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
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Telecommunications UPDATE

A PUBLICATION OF THE U.S. INFORMATION AGENCY TELEVISION & FILM SERVICE

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Looking at the Future of ABC Television

ABC-TV faces a tough climb from the bottom of network prime-time ratings, Capital Cities/ABC executives admitted on May 15th at the first shareholders annual meeting since the acquisition of the network by Capital Cities was consummated in January (see **Update 22**, p. 6). "We didn't get into the network business to be in third place," Chairman Thomas Murphy said, "but we're not promising our shareholders or kidding ourselves that we'll jump into second or first place right away." He described the network's schedule as "better than it has been in the past two years," and noted the 1985-86 prime-time lineup unveiled earlier this week had a "warm reception" from advertisers. ABC's low prime-time ratings and soft advertising time sales had a significant effect on earnings which tumbled 93 percent in the first quarter of 1986 to under $2 million from nearly $28 million in 1985. After the stockholder's meeting, the newly combined firm announced that its operations in New York City will be moved to a "campus-style" arrangement near Columbus Circle on the west side of Manhattan. Station WABC-TV, ABC News and the production studios where soap operas are produced are now located there and a new ABC News building is nearly completed. ABC had considered such a consolidation of operations even before Capital Cities acquired the company. The physical consolidation could take up to three years as ABC's New York operations occupy about 30 different sites, encompassing about 5,000 employees. The current 40 story headquarters building at 6th Avenue and 54th St., valued at upwards of $200 million, will be sold. (At the same time, NBC announced plans to move out of Rockefeller Center, its headquarters for more than a half century, because of high rents.) (From **Television Digest**, May 19, 1986, pp. 2-3.) ☐

SHORT SUBJECTS

Congress of Broadcasting Organizations (CBO) is an informal meeting to be held from time to time of the many industry trade groups dealing with radio and television. The CBO met in mid-May in Washington, DC for the first time, and shared views on areas of cooperation, one of which was standards in university education for those hoping to enter the electronic media field.

■

Everyone deserves a chance . . . The "Canned Film Festival," a nationally syndicated movie series, promises to put a new twist on TV programming. Specifically, the series will treat America to the very *worst* movies ever made! The movie series, beginning in mid-June, should reach about 80 percent of the country. (From **Electronic Media**, May 12, 1986, p.8.)

WORLDNET

(see page 8 for schedule)

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Intelsat Traffic Projections

Intelsat will have a higher overall traffic growth for the next five years, resulting mainly from expected substantial growth in the Pacific Ocean region. Significantly higher traffic estimates were made in the Pacific compared to last year's Global Traffic Meeting forecast for the same area. Traffic projections for the Indian Ocean region were also higher, but were offset by lower estimates for the Atlantic region. Demand for services are also expected to shift from analog voice to digital services such as international business services, time division multiple access networks, and intermediate data rate service. The meeting is held each year to compile five year forecasts from Intelsat members of needs of users and carriers in order to establish a base for service offerings. (From **Satellite News,** May 12, 1986. p. 4) ☐

Better Fiber Optic Cables

Fiber optic cables, characterized by frequent quantum improvements, may be due for the most extraordinary increase in capacity yet. The Naval Research Laboratory in Washington, DC, has announced the discovery of technology that would permit transmissions of thousands of miles without expensive and potentially troublesome amplifiers and repeaters. The new fluoride glass cable could eventually replace the present silica glass facilities, which typically require a repeater every 20-30 km to boost the signal and send it on. Such repeaters are often the most expensive element in a fiber line, and are certainly the cause of most trouble. They're especially a big problem for undersea cables, which have to be hauled up for repair when a repeater goes bad. Thus, the U.S. Navy has been researching ways to improve the reliability of marine fiber optics. Further purification of fluoride is necessary before lab results can be brought to field testing, but scientists believe that's achievable. A patent is pending, and there is no national security impediment to commercial licensing. No timetable for development was offered. While the new cable would be more expensive than the silica-based counterpart now being used, the savings on repeaters and their maintenance are seen as more than making up for the difference. (From **Communications Daily**, May 15, 1986, p. 4.) ☐

Another VCR Shakeout Coming?

It's still a bit early for anyone to start worrying seriously, but there are growing signs of industry concern that the rising flood of videocassette (VCR) imports will result in a significant excess inventory building up here that may bring back the kind of profit-killing price war the industry has not seen since last summer. U.S. imports of VCRs were up 17 percent in March from a year earlier, at a time when the VCR market is showing signs of slowing down. Sales of home and portable VCRs in the first quarter of the year were up only five percent. So imports exceeded sales. Yet the same thing happened a year ago and by the end of the year there were spot shortages of the best-selling models and pricing was firm. The generally expected steep climb in imports from Korea still hasn't materialized. Korea shipped just under two percent of the first quarter import total. Japan continued as the largest source country for cassettes, but Korea continued to move up as a competitive force. (From **Video Week**, May 12, 1986, p. 5.) ☐

Technical Satellite Guidelines

The FCC's industry advisory group committee finished its work late in April after producing a series of recommendations designed to limit interference among communication satellites as the FCC gradually reduces orbital arc spacing from four or three degrees at present to only two degrees in the future. Many of the recommendations are aimed at insuring that satellite uplinks are of sufficient size and quality that they don't generate stray signals that can interfere with other satellities. The group was particularly concerned about video uplinks which pose the greatest interference threat because of the powerful, wide-band signals they send out. The group rejected the FCC's proposal to use "fill criteria" to determine whether existing satellite operators should be granted permits to build and launch additional satellites. The "fill" idea is that a carrier should not be granted permission to put up new satellites if it has not filled all transponders on its existing satellites. The ad hoc advisory group said such criteria were impractical and not needed because of varied designs and time to design and launch satellites, and because the rapidly escalating costs of building and launching satellities would moderate the demand for orbit/spectrum. (From **Broadcasting**, May 5, 1986, p. 54.) □

Intelsat News Record

Television news coverage of the U.S.-Libya conflict on Tuesday, April 15, set a new record for television transmissions in a single day via the Intelsat global satellite system. A total of 193 occasional-use television transmissions took place, with 33 countries participating in the reception or transmission of news programs. Approximately 8,000 minutes of news was transmitted. Demand for satellite time was so heavy that eight television channels on four satellites in the Atlantic and Indian Ocean regions were in continuous use for 12 hours. The previous record for occasional-use television transmissions in a single day, 161, was set on October 31, 1984, when Prime Minister Indira Ghandi of India was assassinated. (From **DBS News**, May 1986, p. 10.) □

Shuttle Update

The latest National Aeronautics and Space Administration (NASA) estimate is that the space shuttle will be grounded for 18 months from the "Challenger" disaster, and will resume flights in the summer of 1987. The shuttle may achieve six or seven flights in the first year and nine to twelve in the second. Shuttle down time is defined by the need to test critical items found defective thus far. (From **Satellite Week**, May 12, 1986, p. 4.) □

Cheaper Launches?

Space launch operation costs could be cut $23.5-$70 billion over a 25 year period with even a partial use of advanced technologies, according to an estimate by the Martin-Marietta company. The key to reducing costs is to cut expenditures for mission training and operations. This could be done using automation, robotics, artificial intelligence and expert systems. The study results are driven by Department of Defense requirements for launching payloads of up to 150,000 pounds by the mid 1990s and up to 400,000 pounds by 2000 or later. The present Shuttle, now grounded, can lift only 65,000 pounds, and land with but 32,000. As outlined by Martin Marietta, options for future launch systems include an unmanned partially reusable cargo vehicle capable of lifting 150,000 pounds, to be ready by the 1990s. A second option is a manned second generation shuttle ready by about 2000 capable of lifting and landing 65,000 pounds in orbit. The third option is the projected National Aerospace Plane capable of horizontal launch and ascent to orbit, to be ready about 2010. There is apparently plenty of overlap in technical systems for all three options. A General Dynamics spokesman estimated that mission control personnel-years per flight could be reduced from 178 to 83 by 1995 and to 42 by the year 2000 with use of artificial intelligence and other technologies. These views were all expressed at the 23rd annual meeting of the Space Congress in Florida in April. (From a story in **Satellite Week**, May 12, 1986, p. 6.) □

VCR Owners, *from page 6*
purchase price of VCRs dropped to $420 in 1985 from $728 in 1981, one reason as many as 21 percent of the units were given as gifts last year. People who have rented a VCR appear twice as likely to purchase one as those who have never rented. (From **Broadcasting**, May 12, 1986, p. 80.) □

REGULATION

Fowler stays at FCC . . . The White House plans to renominate Federal Communications Commission Chairman Mark Fowler (whose term expires on June 30th) after he advised the Reagan administration that he wants to stay in the post. The White House reportedly was quite pleased with Fowler's decision—if Fowler hadn't indicated he wanted to stay, the White House would have asked him to do so anyway. Several Cabinet members had written to the President seeking his appointment. The White House is happy to have Fowler stay because he has pushed the Reagan deregulatory policy more visibly than any other agency head. He was Reagan's first appointment to the FCC in 1981. For the past several months, Fowler had steadfastly refused to make his plans known. While the new term would be for four years, it is unlikely Fowler would stay the full time. (From **Television Digest**, May 12, 1986, pp. 1-2.)

Latest on Scrambling . . . CBS has been asked to delay the scrambling of its network news feed until alternate over-air signal delivery systems are widely in place for rural areas (see **Update 29**, p. 6). In a letter to CBS chairman Thomas Wyman (see Profile on p. 7), Congressman Timothy Wirth of Colorado was sympathetic to the network position that scrambling is needed, but said encryption of signals now would black out news broadcasts to some rural communities lacking over-the-air outlets. The Wirth letter criticizes the network for planning to go ahead with scrambling now, worrying about rural dish viewers later. The letter sets the tone for another planned hearing on scrambling in mid-June (the first took place in March—see **Update 27**, p.4). The letter is designed to show the telecommunications subcommittee's continued concern for receive-only dish owners' access to scrambled network signals. (From **Satellite Week**, May 12, 1986, p. 2.) By mid-May, an effort was afoot in the U.S. Senate to call for a halt to further scrambling of satellite-delivered programming. Such a moratorium would apply only to any new scrambling planned by programmers, and would last only until the end of January 1987. By then, Senate backers hope that the Justice Department and the FCC will complete separate investigations into decoder and program marketing practices. The law to halt further scrambling would give the Senate time to consider the two agency reports and develop a longer-range policy. (From a story in **Communications Daily**, May 16, 1986, p. 5)

User Ownership of International Earth Stations . . . End users of international telecommunications will be able to buy and install certain international earth stations on their own under a recent FCC ruling. Acting in favor of a petition to deregulate small earth stations that receive—but cannot transmit—Intelsat's new slow-speed data service, the FCC ruled that the "direct-to-users nature of this service eliminates any role for U.S. service carriers." Thus users of the new "Intelnet" service will be the first international satellite customers not reliant on carriers for earth stations. Customers could begin installing the three-foot-diameter dishes to receive signals from around the world by the end of this year. (From **Communications Week**, May 19, 1986, p. 51.) ☐

Station Sales to Continue

A new survey of major broadcast lenders and investors concludes that the buying and selling of TV and radio stations will continue at a rapid pace through 1987. The frenzied activity that began last year will be spurred primarily by low interest rates and relaxed ownership regulations by the FCC, according to a survey released this month by Frazier, Gross & Kadlec, a Washington-based consulting firm. All of the responding banks said they looked favorably on financing television loans for network affiliates, independent TV stations and acquisition of groups of stations. On the other hand, most banks said they would not finance applications for construction permits from the FCC, start-up stations, or low-power television stations, though some smaller regional banks said they might consider such ventures. The typical amount banks have been willing to lend has averaged a multiple of four to six times cash flow according to the survey. Most of the responding banks said their 1985-86 loan terms ranged from five to ten years, and the most frequently stated loan rate was the prime lending rate plus one to 1.5 percent. The loans themselves range from $100,000 to $600 million. Many of the institutions responding to the survey are new to the broadcasting market. A lot of people have come to recognize in a short time that broadcast properties are a low-risk industry of predictable growth. The survey also reflects a change in the players involved in financing. Traditional broadcast group owners are offset by newly emerged investor consortiums, usually comprised of non-broadcasters who view television stations as a good investment. Most of the station swapping and selling to come will be concentrated in medium to small markets with only a few deals being major market record-breakers as took place in the past year. In 1985, broadcast acquisitions were valued at a record $8 billion with 2,000 individual stations changing hands. (From **Electronic Media**, May 12, 1986, p. 8.) ☐

PROGRAMS

Disney in the Morning

Buena Vista Television, formerly Walt Disney Domestic Television, announced its fourth first-run syndication show, *Business Day*, a half hour business news program intended for use by stations between 6 and 7 a.m. beginning next fall. Disney targeted the time period because it has "significant upside revenue potential," with an audience of business professionals preparing to go to work. This is the first expansion of the newly re-named company beyond the traditional family fare for which it is best known. There will be four major segments in each show. The first two will be news driven, the third will be a feature or a profile of a business leader, and the fourth will be a news wrap-up. An hour-long weekend edition of the program will rely more on features, and Disney hopes it will be carried adjacent to the networks' Sunday morning news programs. In all, four to six people will appear on the air. The new show has already been accepted by more than 30 markets covering about 40 percent of the country. The show's staff will number between 40 and 50 and will be headquartered in New York with one bureau in Washington. (From **Broadcasting**, May 12, 1986, pp. 53, 57.) ☐

CABLE—TV

Network Aims at Dish Owners

Independent Satellite TV Network (ITVN) is a new programming service aimed at cable and home antenna dish owners. The unscrambled, advertising-supported channel began May 12 and hopes to expand from the present 24 hours a week to fulltime service within the next six to eight months. Call-in talk shows comprise the bulk of the ITVN schedule, though variety and educational programs will be a part of the line-up. Public domain films (those not under copyright protection) will be used as filler. So far the network has not been able to use first-run films because they charge rates based on the total home antenna population rather than the estimated viewership of this new network. Because of ISTN's plans to target home dish owners, cable operators may well not carry the new service. (From a story in **Video Week**, May 19, 1986, p. 5.) ☐

RESEARCH
& Technology

More About VCR Owners

Two-thirds of the nation's households do not own a videocassette recorder (VCR). But that situation is changing rapidly with 41 percent of the nonowners intending to buy a VCR this year, according to a study released by the Electronics Industries Association. The one-third of U.S. homes already owning VCRs will apparently stay with the entertainment source, as 95 percent say they would replace their VCRs if necessary. The report is based on a survey of some 10,000 homes in January and February. Adult males are more likely to use VCRs than females by 49 to 37 percent. VCR owners are likely to have larger households, higher incomes and be younger than nonowners. VCRs are found in all demographic segments of the population. VCR households report using the units for an average 9.3 hours a week for playing cassettes and another 6.1 hours a week for recording. More than half the VCRs are used in living rooms, 29 percent in family rooms, and 11 percent in bedrooms. Respondents cited cable compatibility, wireless remote control and high-speed forward-reverse as the most important features in VCRs. VHS-standard machines now account for 90 percent of sales, up from 71 percent in 1980. First-time purchases still account for the majority of units sold—up to 83 percent of VCRs sold in 1985. The average

(continued on page 3)

Network News Thrives Despite Cuts

The network television news shops are finding themselves in a good news/bad news situation. The good news: faced with the rising cost of entertainment shows, the networks are looking to their news organizations to deliver more and better information programming during all parts of the day. The bad news: the surging interest in TV journalism comes at a time when the news divisions are being asked to reduce staff and cut back on news-gathering costs. Yet all three network presidents say they believe their organizations not only can abide by the need to do more with less—but will actually thrive. ABC News plans to produce more news specials and plans next season to premiere a second weekly prime-time news series and a new business news series for Sunday mornings. CBS is commited to its second weekly prime-time news series, "West 57th" (named for the street on which CBS news is located), and is mulling possibilities ranging from a late Saturday morning news series to other ideas. NBC, which is still struggling to launch successfully the first prime-time news magazine, "1986," is also considering a range of program options. These include a Sunday moring version of "Today," a noontime weekday newscast and an expanded version of the half hour evening news. (To be continued next issue. From **Electronic Media**, May 5, 1986, p. 18.) □

15 Second Spots

(**Editor's note:** *For years, well into the 1960s, the standard television commercial ran 60 seconds. Over the past 15 years, the half minute spot advertisement has become standard—amidst rising audience and advertiser concern over "clutter" on the air. The presentation of more messages in the same amount of time has become more controversial in the past several years. And now a new development may bring the issue to a head. . .)* As expected, ABC in May announced it will join CBS in offering advertisers the opportunity to buy stand-alone 15-second commercials for the coming 1986-87 TV season. ABC will make the controversial spots available throughout the day. CBS, which pioneered the widespread use of such short ads last year, still prohibits their use in Saturday morning children's television time. ABC sales executives said the move was made in order to accommodate growing advertiser demand for 15-second stand-alone spots. An equally important motivation in ABC's decision is the company's need to maximize its advertising revenues in what many anticipate will be a slow market. (From a story in **Electronic Media**, May 12, 1986, p. 2.) □

In Profile

Thomas H. Wyman

It has been a difficult year for the chairman and chief executive officer of CBS Inc., the holding company controlling the CBS radio and television networks. The company fought off an attempted take-over by Ted Turner last summer (see **Update 19**, p. 7), but only at the cost of having to repurchase 20 percent of its own stock, thus raising its debt. The need to cut costs has led to staff layoffs, the impending sale of one television station and other cut-backs. Now Laurence Tisch, chairman of Loews Corp., is increasing his CBS holding to 35 percent, becoming the dominant shareholder. And the network's ratings have slipped into second place behind NBC. Wyman's time of crisis comes six years after he joined CBS. He was lured in 1980 from the Pillsbury food products company by network founder William S. Paley. He followed several other presidents who had been eased out when they did not meet Paley's approval. In 1983, when Paley stepped down, Wyman moved to the top slot. He has focused on diversifying the company since, but several of those ventures have not worked well—the network has pulled out of direct broadcast satellite, though it remains committed to a major role in high definition television. Overall television network income is down which adds still more pressure on Wyman to excel in the year to come. ☐

UPDATE

More on the Fox Network

The Disney Studios will produce a television situation comedy version of its hit film "Down and Out in Beverly Hills" as the first prime-time series for Fox Broadcasting Co. (FBC—see **Update 30**, p. 1). FBC is also banking on a proven commodity to draw audiences to "The Late Show with Joan Rivers" a live nightly talk show that will begin airing in late September on Fox-owned stations and whatever affiliates it has signed by then. No actual format or production team has been assembled for the talk show yet, which will be shot at Fox's KTTV-TV in Los Angeles at 8 p.m. Pacific time, for airing live at 10 p.m. Central time and 11 p.m. East Coast time. Press conferences made clear the nighttime talk show with Rivers "is the core show upon which we will build FBC." But industry observers disagreed, saying the syndicated program would say little about what FBC might offer in prime-time. In general, stations that take the Joan Rivers program will have to sign up for the full FBC prime-time slate of programs: a two-hour movie one night a week, and three hours of situation comedies and action dramas on a second night. Fox is giving consideration to allowing cable systems in smaller markets to pick up FBC signals. FBC officials said some $100 million would be spent to launch the new "pre-network" service in addition to the $2 billion already invested by Rubert Murdoch to purchase the 20th Century Fox film studio and the Metromedia TV stations on which the new FBC is being built. (From **Electronic Media**, May 12, 1986, pp. 1, 27.) ☐

FEATURES

Booknotes

Bob Hope: A Half Century on Radio and Television (Museum of Broadcasting, 1 East 53rd St., New York, NY. 10022, USA—$7.50, paper) is one of a new series of illustrated catalogs to museum showings of classic American broadcast programs and stars. Well known around the world, Hope's career here is summarized in several articles, and an annotated guide to the radio and TV shows included in the exhibition. The Museum of Broadcasting began in the 1970s to preserve videotape copies of programs of all kinds. This 78 page guide thus reviews Hope's busy (and ongoing) career and provides a record of his huge output. (Other catalogs deal with famous German, British, and French programs seen on American screens, plus the work of other stars and directors on television, and specific programs or program genres.)

Xerox: American Samurai by Gary Jacobson and John Hillkirk (Macmillan, 866 Third Ave, New York, NY 10022—$18.95) details the story of how the famous American company turned back overseas competition to regain its domestic (and international) market in such fields as office copying and related computer and communications sectors. The authors, both business journalists, trace the rise of the Xerox company from plans in the 1940s to the introduction of the revolutionary 914 plain paper copier in 1960 and the overseas competitive pressures of the 1970s. They then focus on the many managerial innovations which brought Xerox back to a strong competitive position despite a host of competing machines and imported innovations. (from **Communications Booknotes**, June 1986.) ☐

1986 SPRING SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (29:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1300-
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC)					
	(35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	-1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting**, a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek**, a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes**, a monthly.

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Telecommunications UPDATE

A PUBLICATION OF THE U.S. INFORMATION AGENCY TELEVISION & FILM SERVICE

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More Cable Program Ventures Developing

Following in the footsteps of Ted Turner, three basic cable networks are seeking financing backing from cable system operators interested in developing high-priced, broadcast-quality cable programming. USA Network, Entertainment and Sports Network (ESPN), and Lifetime Network are each preparing their own proposals aimed at getting major multiple system operators to help fund new programming development and acquisitions. At the same time, Turner Broadcasting System is continuing its discussions over development of a new cable network with such major multiple cable system operators (MSOs) as Tele-Communications Inc. and American Television and Communications Corp. The new proposals, still in preliminary stages, take a variety of forms. The USA Network is within a month or so of making a major proposal for programming development that would require hundreds of millions of dollars to position the network as the "flagship station" of the cable industry. ESPN wants cable operators to help participate in an effort to bring National Football League games to the 24-hour sports network. Lifetime seeks equity participation from operators interested in two specific, but undisclosed programming projects. The most ambitious of these projects appears to be the first—USA Network's plans to establish a block of programming, most likely for prime time. The USA venture would seek across-the-board investment in programming development and not simply investment in particular projects. One official commented that the current talk of programming initiatives is the programmers' response to a demand by system operators for programming that will help cable get beyond the 60 percent audience penetration level in the early 1990s. He echoes other cable programmers in suggesting the time has come to take the cable programming business to a new level—the same as or better than broadcasting. (From **Electronic Media,** May 19, 1986, p. 8.) □

SHORT SUBJECTS

Less time . . . Congress has approved a shorter term for the five commissioners at the Federal Communications Commission. From now on they will serve five year instead of seven year terms. The longer term was a holdover from the period up to 1981 when there were seven commissioners. Most commissioners go back into private (usually law) practice before their terms are up anyway.

■

Short memory . . . all the flurry over possible fourth television networks (see **Update 30,** p. 1 and **Update 31,** p. 7) overlooks the fact that there once were four commercial networks in the USA. Until 1955, the Du Mont Network struggled to achieve parity with CBS and NBC, let alone then-weak ABC. It ceased operations in September 1955, having failed to get enough affiliated stations or advertiser support.

WORLDNET

(see page 8 for schedule)

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IA 1.16/2:

U.S. Senate and Live TV

Live cable TV coverage of the U.S. Senate began on June 2nd, just in time to bring the Senate's consideration of tax reform legislation into the nation's living rooms. C-SPAN II, a new sister channel to the original C-SPAN public service cable network, brings Senate proceedings into a projected five million homes for a test running until mid-July. Before now, cable coverage has only been available on a closed circuit basis within Senate offices. On March 12, live audio coverage of Senate proceedings was made available nationally. The original C-SPAN began to televise House of Representative proceedings back in 1979 and now brings those to some 25 million cable homes. The Senate is covered by six cameras, which are being rented with an option to buy, in case the idea is scrapped. The remote-control units, which can tilt and pan, unlike the fixed cameras in the House, are operated by 13 technicians in the Senate Recording Facility in the basement of the U.S. Capitol building. Coverage of the Senate presented special sound, lighting and other considerations. There were special technical considerations because the senators speak from their seats instead of from assigned locations as the members of the House do. Also, members of the Senate are allowed to speak for much longer periods of time than members of the House. Therefore, some observers were concerned that TV coverage of the Senate would be too drawn out or would promote grandstanding to the folks back home. Proponents of coverage hope viewers will see Senate TV coverage as a valuable window through which to watch their elected officials. They hope that an enlightened public, and maybe a higher-quality legislative body, will result from the TV coverage. (From **Electronic Media,** May 19, 1986, p. 16.) □

HDTV and the CCIR

In a major setback to high-definition television (HDTV) studio standardization, the International Radio Consultative Committee (CCIR) in mid-May delayed for at least four years consideration of an HDTV studio system backed by the U.S., Japan and Canada, but opposed by a majority of West European governments. Six dozen nations meeting in Dubrovnik, Yugoslavia, at the quadrennial plenary meeting of the International Telecommunication Union body, agreed last Thursday to defer a decision on the Japanese-developed 1,125-line, 60 hertz HDTV system until the CCIR's next four-year study cycle ends in 1990. The waiting period is to allow for the consideration of alternative, and still largely theoretical, HDTV proposals submitted jointly this spring by France, Britain, West Germany and the Netherlands. Also to have been considered during the upcoming cycle were HDTV transmission standards, but it was not known how the deferral on studio standards might affect that schedule. The 1,250/60 system, in development since the early 1970s by the Japanese and others, has been under technical review by CCIR and television standards groups for the past three years. Despite sometimes extensive disputes over its technical characteristics, the proposal had proceeded through CCIR ranks to emerge last fall as the only HDTV technology suitable for consideration as a world standard. But a number of European administrations led by France and the Netherlands expressed concern about the applicability to the 60 Hz system in nations using 50 cycle-per-second PAL and SECAM color television standards, and during the past year began urging opposition to the proposal. Supporters had been confident that the 1,250/60 technology, for which marketing efforts have already begun, is in a strong position to establish a de facto standard through broad user acceptance. How widespread sales will be without a world standard remains to be seen, but the leading HDTV system manufacturer, Sony, already has 35-50 of the operations in use around the world and another 50-100 systems on order (a typical camera-recorder configuration costs roughly $450,000). (From **Broadcasting,** May 19, 1986, p. 70.) □

Cars + Phones = Radio News

Thanks to the cellular mobile telephone and a radio station in

Los Angeles, commuters on that famous freeway system can do more than just listen to radio traffic reporters—they can *be* the reporters. In what is becoming a growing trend in radio broadcasting, all-news station KFWB has recruited 2,000 listeners with cellular car phones as traffic reporters and news tipsters. "When someone sees an accident or a car stuck in the fast lane of a freeway, we can have it on the air within minutes," says the station's executive editor. "We are on the air before police respond." But the "Mobile Phone Force" can do more for the station than give it a competitive edge in traffic reporting. "The potential is amazing. There's the chance that with a major news event, we can be on the air with an eyewitness 30 seconds after the event occurred." All the would-be reporters have to do is give the station their name, address and telephone number and, in return, the commuters get a secret code and the "hot-line" telephone number to phone in their tips. Each tip is double-checked with the California Highway Patrol before being aired. (From **Electronic Media,** May 19, 1986, p. 46.) ☐

Teleconferencing Standards

A recent teleconferencing seminar found an increased emphasis on marketing techniques and an industry-wide hope for standards. Numerous speakers sounded a common complaint: the lack of international, or even American, technical standards for equipment like codecs and modems. But several pointed out a potential end to the compatibility problems that have plagued the business—the upcoming construction of a Defense Department 150-site integrated teleconferencing network. Many observers expect the Defense Department will set a de facto standard with its enormous equipment purchases. Meantime, equipment vendors and users are less interested in pushing further technological advancements and are more inclined to sell their own employees on the increasing value of the process itself. (From **Telephone News,** May 26, 1986, p. 5.) ☐

Satellites and the "Goodwill Games"

Perhaps it took only good will to get athletes to commit to the Goodwill Games, taking place July 5-20 in the Soviet Union. But it took diplomacy and patience to set up the satellites for the 129 hours of the games Turner Broadcasting System (TBS) will televise. Negotiations for satellite time began last July. TBS vice president of operations Jim Kitchell's job was finding satellite capacity for the events TBS wanted to show, then finding a backup transmission path in case the primary path failed. His goal was to send the program directly from Moscow to Western Europe to Intelsat's Atlantic Ocean spare satellite to the Cable News Network (CNN) uplink in Atlanta. But the angle and limited technical capacity of the Russian satellite made that impractical. That left Intelsat's Atlantic Ocean primary satellite, the most heavily-used satellite in orbit. The two television channels available were already crowded with previous orders, which meant Kitchell had to perform some serious negotiations to get around standing orders from other users. The transmissions will go from Moscow to an earth station at Dubna in the USSR. It will then be sent to Intelsat, which will beam it to an earth station in West Virginia. The signal will be handed to RCA which will bounce it off the company's Satcom I down to TBS in Atlanta. Arranging the backup path—which goes from Dubna to Intersputnik's Statsioner 4 to Atlanta—proved to be tougher and required the Federal Communications Commission's permission to receive unilaterally a signal from the Soviets. "That was the hardest single thing in this whole deal," says Kitchell, since no one in the U.S. may receive an international transmission from a system other than Intelsat. Finally, just to make life interesting, TBS had to deal with three different television standards. The incompatibility will be reconciled electronically via converters in Moscow. (From **Electronic Media,** May 26, 1986, p. 21.) ☐

REGULATION

Lorimar Buys Stations as Insurance

In the aftermath of their company's surprising move to buy seven major-market television stations in May, Lorimar-Telepictures Corp. (L-T) officials said the $1.85 billion purchase was necessary to assure their continued access to stations in producing and distributing TV shows. "With Rupert Murdoch's and Twentieth Century Fox's purchase of the Metromedia stations and the Tribune Co.'s purchase of KTLA, the power of clearing programs has wound up in the hands of just a few. . ." explained the chairman of L-T. "Owning these stations gives us a position in the industry to better control our destiny, to make the most of our shows whether they are off-network or original production." L-T is buying six of the seven stations that used to belong to Storer Communications, including outlets in San Diego, Boston, Detroit, Cleveland, Atlanta and Milwaukee. The seventh station, in Miami, comes from a different owner. L-T is the second largest supplier of network prime-time programming and the largest supplier of first-run programs syndicated to local stations. (From **Electronic Media,** May 26, 1986, pp. 1, 40.) ☐

GE Takeover of RCA Moves Ahead. . . The U.S. Justice Department announced late in May that the proposed takeover by General Electric of RCA and its NBC subsidiary (see **Update 20,** p. 1) would not result in any significant loss of competition in any market other than one type of electronic tube used in TV sets to convert optical images into electrical current. GE has agreed to divest that part of its business. Federal Communications Commission approval of the acquisition (required because NBC's radio and TV station licenses would be changing hands) is expected before the end of June. (From **Broadcasting,** May 26, 1986, p. 86.) ☐

Information Gaps: Myth or Reality. . . In the current debate over what should be the role of government policy regarding the newer information media, two lessons seem to emerge from history. First, there is no need to act precipitously. Technology casts a long shadow. Thus, there is time for society to see how some technology or combination of technologies move towards their natural markets and costs. Moreover, there is danger that jumping in too fast can lock in a technology that soon would be superseded by a better one. It may take decades before it is clear that some technologically innovative service or product has the potential to become an actual or near necessity, worthy of some government attention for regulation, subsidy, etc. The second lesson is that the type of government action that might be taken, if any, is not consistent or obvious across technologies. Should government subsidize development of technology directly or indirectly? The automobile was developed with virtually no direct government intervention or subsidy—except for the crucial highway system supported by taxes. Clearly, there is a role for public policy—at least to fine tune areas not adjusted by themselves or the marketplace. But there is evidence that national economies that are growing with participation from a broad spectrum of the work force, reduce or eliminate the need for targeted programs and government subsidies. (From B. Compaine, "Information Gaps: Myth or Reality?" in **Telecommunications Policy,** March 1986, pp. 10-11.) ☐

Teletext's Shaky Status

Just before the National Association of Broadcasters convention in 1983, CBS introduced a national teletext service, Extravision, and began urging its affiliates to produce a complimentary local service and broadcast the national-local package to viewers within their markets along with their regular television programming. Three years later, it appears that CBS's efforts to lead broadcasters into the information age is foundering. Only three stations have stepped forward to produce local teletext inserts. And, because the promised low-cost teletext decoders have never found their way into the marketplace, virtually no one watches the service. In May, CBS showed signs that its interest in teletext may be wavering. In a cost-cutting move, CBS has hired AP/TMS Information Services, a joint venture of the Associated Press and Tribune Media Services, to produce the pages of national news and sports that are the heart of Extravision. The hiring of AP/TMS will allow CBS to shut down the Los Angeles office where the pages are now produced and eliminate most of Extravision's staff of seven. Through automation, AP/TMS can produce teletext pages more cheaply than the Extravision staff could. The changes will save CBS around $500,000 a year. Over the years, CBS's financial commitment to teletext has dwindled from two or three million dollars a year to a few hundred thousand dollars. Because CBS affiliates broadcast Extravision along with network programming, the service reaches a potential 90 percent of all television homes. Most proponents blame the unavailability of low-cost teletext decoders, either built into the television set or set-top adapters, for the failure of Extravision and other teletext services to take off. That there are no decoders in the marketplace, the proponents say, is directly attributable to the FCC's failure to set an industry standard when it gave the go-ahead to teletext broadcasting three years ago. Today there are two incompatible systems in use and each has its supporters. While CBS backs the North American Broadcast Teletext Specifications (NABTS), Taft Broadcasting is committed to the British-bred World System Teletext. Taft has been broadcasting a teletext service, Electra, in the city of Cincinnati since 1983 and it plans to broadcast the service over its 11 stations beginning some time this summer. There is some doubt that even set-top decoders priced at $299 will be enough to give teletext the boost that it needs. Based on past experience, researchers have concluded that consumers are willing to pay no more than $100 to receive teletext. Some CBS affiliates see the deal with AP/TMS as indicating that the network is determined to stay with the struggling new medium. (From **Broadcasting,** May 19, 1986, p. 75.) □

PROGRAMS

Anatomy of a Low-Rated Hit

If NBC looked just at the ratings, "St. Elsewhere" probably would never have been renewed in the first place. Of the 82 network prime-time shows this season, "St. Elsewhere" finished only 53rd. In addition, the medical drama is expensive to produce, costing MTM Enterprises about $1.1 million per episode last year, of which NBC pays about $900,000. Nonetheless, the program made the list of renewals for the coming year and is now heading into its fifth season. Why? Sources cite a number of factors: critical acclaim for the writing and acting, slow but steady overall ratings growth and, most importantly, a strong appeal to young affluent viewers. While other shows have a huge overall audience, you are buying a lot of "waste circulation" in terms of who those advertisers want to reach. In simpler words: "It delivers men and women 18 to 49 who are better educated, with money, and who spend it," says Bruce Paltrow, the show's executive producer. The show's writers have also relied heavily on a technique that is unusual in prime-time drama—having unexpected tragedies, even death, befall main characters if it fits the story line. Another thing—the show wins awards including four Emmys so far. And from the start it's gotten good reviews from critics. "St. Elsewhere" has managed to increase its share of the network television audience each year since 1982 when it first went on the air. Mr. Paltrow predicts the show will perform extraordinarily well in syndication. (From **Electronic Media,** May 19, 1986, p. 46.) □

CABLE—TV

Pay-Per-View Trouble?

The shakeout in pay-per-view (PPV) services (see **Update 22,** p. 1) began in mid-May with the announcement that "The People's Choice" service would shut down its operation at the end of the month. The service had only 11 affiliate cable systems with about 125,000 addressable subscribers. That was about half the total the company hoped to have. Apparently, many cable systems put off a decision on launching a PPV service because of unresolved technical questions concerning order taking and billing. A spokesman said the PPV service would need about 1.25 million subscribers just to break even and that it would take another nine months to a year to reach that point. The capital required to support that period just was not available. Meantime, two other PPV services, announced a year ago but still not on the air, postponed their launch. (From **Broadcasting,** May 26, 1986, p. 14.) □

RESEARCH
& Technology

People Meter Delay

Yielding to pressure from the television networks and some advertisers, A.C. Nielsen Co. announced in mid-May that it would continue its current system of measuring television viewing and audience composition (with household meters and written diaries) through the coming 1986-87 season. At the same time, Nielsen said it would continue to test its people meter service (see **Update 29,** p. 6 and **Update 22,** p. 6), gradually building up its sample base, so that the television business will have at least a full season of audience data from both research methods for comparison. The people meter service, a means of recording individual viewing habits, is now scheduled to replace the current diary-meter service, which measures total household tuning, at the start of the 1987-88 season. The three networks have agreed to a three year commitment to people meter measures. There has been considerable controversy in recent months about the transition from methods used since the 1950s to the relatively new people meter technology for audience measurement. The current people meter sample consists of 800 homes and will climb to 1,000 by September on its way to a planned 4,000 home national sample base. (From **Broadcasting,** May 26, 1986, p. 38.) □

Big Tube

Mitsubishi, which introduced the world's first 35 inch direct-view color television picture tube, went one better and demonstrated a color monitor/receiver with a 40-inch viewable diagonal measurement picture tube at the Consumer Electronics Show in Chicago early in June. The tube is the largest ever to be announced, although the late Allen DuMont once proposed a theater-sized six foot monochrome tube, and stated that tubes could be built up to 10 or 11 feet. Mitsubishi says the 40-inch monitor/receiver will be produced to order with sales starting this fall. Price: $9,000-12,000 in Japan. Mitsubishi says the new tube is designed for use in public places—airports, conferences, schools and theaters. (From **Television Digest,** May 26, 1986, p. 16.) □

Network News Thrives Despite Cuts

(Editor's note: this continues the story on page 6 of **Update 31.***)* Sources say discussions at all three networks also have focused on conventional news program alternatives that range from periodic specials in prime time to special informational series on health or science. Each of the networks also has given some thought to a fast-paced series of news vignettes. Behind these plans is a commitment to sharing resources within each news department, and extensive recycling of news programs into ancillary markets. CBS is considering a news program for midday Saturdays, when Ted Turner's Cable News Network has its greatest viewer tune-in. That program could be based on the "Americana" project featuring correspondent Bill Moyers tackling a single topic, that is being produced as a one-time prime-time pilot program. Another key to CBS recycling efforts will be use of the network's international unit, which sells and distributes CBS-owned programs abroad. The unit has already instituted such practices as the recycling of **60 Minutes** segments for sale on videocassette and providing excerpts of segments from The **CBS Morning News** and **60 Minutes** to airlines for in-flight viewing. NBC News President Larry Grossman says he believes the bulk of each network's $250 million-plus annual news budget will continue to finance the facilities, people and resources necessary to support such cornerstone efforts as the evening and morning news shows. (From **Electronic Media,** May 5, 1986, p. 18.) □

In Profile

Milton Grant

Milt Grant has received a mixture of admiration, criticism and wonder far exceeding the size of his company, Grant Broadcasting Systems (GBS). And the glare of attention is not likely to diminish soon, for within the past six months, GBS independent television stations have signed on in the third- and fourth-largest markets. The GBS operation illustrates the story of the newly thriving independent (non-network) television station business. Grant's singular habits are part of his mystique. He rarely arrives at his office before noon—sometimes much later—and often conducts business meetings past midnight. The 58-year-old president of GBS noted his unusual hours allow him to work without being interfered with by telephone calls. While Grant's national reputation may not have developed until his successful operation of TV stations in Houston and Dallas/Fort Worth, he attracted local attention in the Washington/Baltimore area where he began broadcasting roughly 40 years ago, the first 10 as a radio disk jockey. By the mid-1950s, he was in television and in 1966, with others, put Channel 20 on the air in the nation's capital as an independent operation. Recently, he sold his two Texas stations for a $163-million profit. Grant has a reputation of building audience- and advertiser-successful stations in competition with network affiliates. And observers expect him to expand into other markets soon. (From a story in **Broadcasting,** May 19, 1986, pp. 81-85.) ☐

UPDATE

Old Radio Formats Live On

Oldies radio is on the verge of proving the adage that "rock 'n roll is here to stay; it will never die." With two syndicators launching 24-hour, satellite-delivered oldies formats and with a prominent programming consultant predicting that the number of stations programming oldies will triple in a year, rock 'n roll music from the 1950s through 1970s seems to be headed toward a new heyday in the 1980s. The trend could give a boost to AM radio, which has been getting clobbered by stereo-playing FM stations in the battle for the hearts and ears of music lovers. Most of the rock 'n roll records from the 1950s and 1960s weren't recorded in stereo, so they lend themselves nicely to AM. In practically every market, the oldies format, which is not to be confused with the even older "big bands" sound, is designed to appeal to men and women age 25 to 44, a large demographic group consisting of an estimated 70.2 million Americans, many of whom spent their teen years listening to the rock of the 1950s and 1960s. Observers generally agree that the resurgence of old rock 'n roll on radio is part of a nationwide trend toward romanticizing the 1950s and 1960s. The trend also shows up in TV and radio commercials that employ songs similar to rock 'n roll hits of the era. The two satellite services, Transtar's "The Oldies Channel," and Satellite Music Network's "Pure Gold," both debuted in April. Consultant Jeff Pollack notes that when such records were first hits, radio programmers had not yet felt the influence of a national record trade

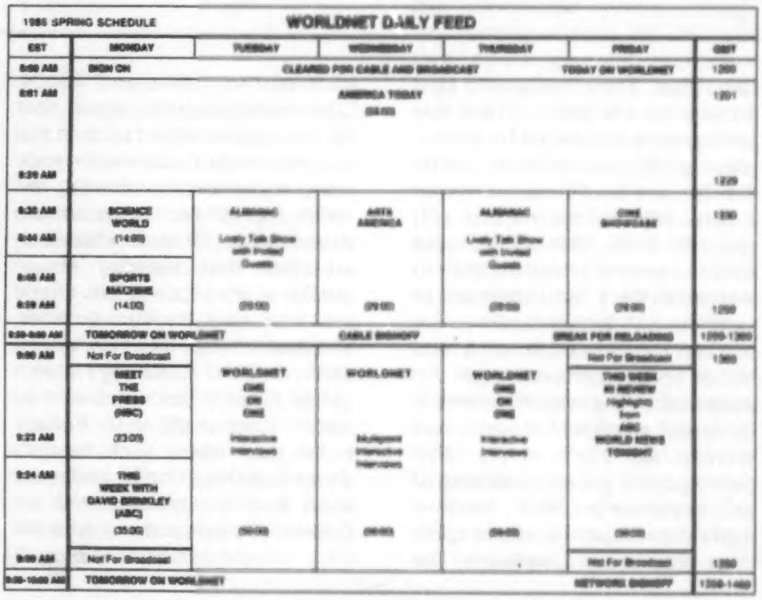
(continued on page 8)

FEATURES

Booknotes

Satellite Communications by Timothy Pratt and Charles W. Bostain (John Wiley, 605 Third Ave., New York 10158—$42.95) is a new engineering text on the basics of the subject. After a brief overview, the authors deal with orbital aspects of satellite communication, the spacecraft, satellite link design, modulation and multiplexing techniques for satellite links, multiple access, encoding and forward error correction for digital satellite links, propagation on satellite-earth paths and its influence on link design, earth station technology, Intelsat and Inmarsat, and satellite television. The 470 pages are heavily illustrated with diagrams and tables.

Decision to Divest: Major Documents in U.S. v AT&T, 1974-1984—(Communications Press, 1735 DeSales St., N.W., Washington, DC 20036—$225 for three volumes) is one good way to survey the huge record in the break-up of AT&T telephone monopoly—the most important event in U.S. telecommunications in decades. These volumes begin with a survey essay telling the story of telecommunications regulation and this case along with a brief essay on how best to use the documents (and a bibliography). The bulk of the 2,000 pages consists of 30 key documents, arranged in chronological order, each introduced with a short headnote placing that document in context. Judge Harold Green, who has presided over the case, provides a foreword. For those far from Washington DC, this set is a highly useful way of better understanding the deregulatory revolution going on in American telecommunications. (Reviews from **Communications Booknotes,** June 1986.) ☐



1985 SPRING SCHEDULE — WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1300
8:01 AM 8:29 AM	AMERICA TODAY (28:00)					1301 1329
8:30 AM 8:44 AM	SCIENCE WORLD (14:00)	ALMANAC Lively Talk Show with Invited Guests (29:00)	ARTS AMERICA (29:00)	ALMANAC Lively Talk Show with Invited Guests (29:00)	CINE SHOWCASE (29:00)	1330
8:45 AM 8:59 AM	SPORTS MACHINE (14:00)					1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE Interactive Interviews (59:00)	WORLDNET Multipoint Interactive Interviews (59:00)	WORLDNET ONE ON ONE Interactive Interviews (59:00)	Not For Broadcast	1400
9:23 AM	MEET THE PRESS (NBC) (23:00)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT (59:00)	
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)					
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

Butterworth Scientific Ltd., PO Box 63, Westbury House, Bury St. Gilford, Surry GU2 5BH, United Kingdom. (Telex 859556 SCITEC G) for **Telecommunications Policy,** a quarterly.

Communication Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA. (telephone 301-340-2100) for **Satellite News and Telephone News,** both weeklies.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, D.C. 20036, USA (telephone 202-872-9200) for **Television Digest,** a weekly.

Old Radio, *from page 7*

press. That's why rock 'n roll styles varied from city to city—just as the revival plays today still do. There is also disagreement on whether to play oldies in a pure nostalgic form—with old style announcing and news to create a full mood—or within a modern 1980s approach to radio. (From **Electronic Media,** May 26, 1986, pp. 1, 20.) ☐

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Consumer Electronics 1986

If there is any lingering doubt that stereo sound for television will sweep the nation, it can be laid to rest. Responding to marketplace demand, manufacturers filled their booths at the 1986 Consumer Electronics Show (CES) in Chicago early in June with stereo television sets and set-top adaptors designed to upgrade existing single sound channel sets to stereo. And just prior to the show, RCA and Zenith, the nation's two largest set manufacturers, announced that at least half the models in their new lines would be equipped to receive stereo broadcasts. CES, a semi-annual event sponsored by the Electronic Industries Association, provided manufacturers and distributors of electronic hardware and software for the home with a place to display their wares and persuade retailers to handle them. At this summer CES, some 1,400 companies exhibited and around 100,000 persons attended. Among other products shown: a solar-powered FM radio built into an automobile sun-visor for $12.95 when built in quantities; a 40 inch television tube from Mitsubishi; a tiny TV with a two-inch screen with more than 70,000 pixels giving relatively good definition and contrast; and a Samsung "Translator" videocassette with two complete transports (one 8 mm and the other VHS) with interconnected electronics to facilitate dubbing or copying of videocassettes from one format to the other (From a story in **Broadcasting,** Jun. 9, 1986, pp. 45-46.) Meantime, in conjunction with the CES, the sponsoring industry trade association raised its forecasts of likely 1986 sales of video products from February estimates. Among them: stereo will be in 17 percent of total color TV sets in 1986 and 29 percent in 1987; and VCRs will sell 13.2 million units in 1986 and 14 million in 1987. On the other hand, sales projections of home satellite earth stations and videocassette players were lowered. (From a story in **Video Week,** Jun. 2, 1986, pp. 2-3.) □

SHORT SUBJECTS

GE wraps it up... Early in June, General Electric (GE) formally completed the takeover of RCA, which had been announced back in December (see **Update 20,** p. 1). The $6.4 billion takeover is the biggest non-oil industry acquisition in U.S. history, and was completed several months earlier than expected.

■

Sky Falls on Earth Stations... because of cable scrambling (see page 2), sales of home TV receive only (TVRO) antennas has dropped sharply. From a rate of 90,000 units last September, sales dropped to 25,000 when HBO and Cinemax scrambled, dipped further to 16,000 in February, and have come up only slightly—to 24,000 in April, with a drop again in May. Half the TVRO dealers are said to be out of business. (From **Video Week,** Jun. 2, 1986. p. 2.)

WORLDNET

(see page 8 for schedule)

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IA1.16/2:

Satellite Setback

The first launch of the European Ariane 2 rocket from the French Guiana Kourou Space Center on May 31st was a complete failure and a severe setback for Arianespace. The failure occurred less than five minutes after lift off from Kourou when the third stage failed to ignite, forcing the safety officer to destroy the rocket and its $90 million payload. The launcher was carrying an Intelsat V satellite, one of five booked on Ariane by Intelsat since 1979. (Two more were planned for launch in 1987 with the final two scheduled for launch in 1988 and 1989.) It is Ariane's fourth failure in 18 launches since December 1979. (From **Satellite News,** Jun. 9, 1986, p. 1.) Among the many others affected by the loss and the indefinite delay of Arianespace's launch schedule were Pan American Satellite Corp (PanAmSat) and GTE Spacenet. For PanAmSat, the delay was both good and bad. The good news is that the delay will give PanAmSat more time to win Intelsat approval of its plan to launch a satellite to provide service between the U.S. and Peru. It had been under pressure from Arianespace to meet an October launch date. The bad news involves insurance. The loss, coming on the heels of several others, will make getting insurance at a reasonable premium tougher than ever. GTE Spacenet had planned to launch GSTAR III aboard Ariane in late November or early December. (From **Broadcasting,** June 9, 1986, p. 161.) ☐

Meantime, Are there Alternative Launchers?

Satellite communications companies, grounded by an indefinite National Aeronautics and Space Administration (NASA) moratorium on space shuttle flights, are looking for new ways to hitch rides to the sky while regretting past policies that have left them without a domestic space taxi of last resort. NASA's single-minded dedication to the shuttle in the 1970s led to a decision not to develop an unmanned rocket to back it up. Consequently, following the Challenger disaster in January (see **Update 24,** p. 1) that placed the shuttle program on hold, the U.S. has all but lost its capacity to launch satellites until at least the second half of 1987. ***(Editor's note:*** *as the following story indicates, observers now feel the shuttle may not fly again until 1988.)* Companies that need to get satellites into space have been forced to scramble for a ride on Ariane, designed to be "shuttle-compatible," despite its own shaky history (see story above). But even continued production of the expendable rockets would not necessarily have saved the day in the wake of the shuttle disaster as many satellites, designed to fit the largest possible economic payload into the large shuttle cargo bay, are too heavy and wide to use expendable launchers. NASA has not sought unmanned shuttle-compatible vehicles. Instead, it is lobbying the White House for the $3 billion that it will take to build another shuttle to replace Challenger and join the three existing vehicles. For customers flying lighter satellites, there are alternatives, although many are unproven. Foremost is the Chinese Long March rocket, which already has a commitment to launch the Swedish Mailstar satellite and the American Teresat spacecraft. China launched its first satellite in 1970, but has yet to fly a foreign payload. Another possible alternative, particularly if NASA cuts back available flights for the communications industry, is contracting with private U.S. launch firms. Some of these are trying to commercialize existing rockets. Others have schemes to build their own rockets. To date, however, none of these companies has signed a customer. (From **CommunicationsWeek,** Jun. 2, 1986, pp. 28, 31.) ☐

. . . And, What of the Shuttle?

The final report of the Presidential Commission on the Space Shuttle Accident was issued early in June. As expected, it found many shortcomings with NASA structure, operations and some specific technological decisions. As has been reported for months, the specific cause of the explosion in January was failure of a rubber "O ring" seal in one of the two booster rockets, a seal weakened by the unusually cold weather. But the commission, which has held many hearings over the intervening months, made clear its feeling that the underlying cause of the disaster was insufficient attention to safety and back-up systems in the shuttle program, combined with excessive government pressure to make the shuttle system fly a large number of commercial payloads to regain some of its development cost. Immediate aftermath of the commission's report was two-fold: President Reagan asked NASA Director James Fletcher to report back in 30 days on how NASA planned to meet the many recommendations, and experts in and outside of the space agency predicted the shuttle would not fly until 1988, rather than mid-1987 as predicted recently. □

Transatlantic Cable

AT&T and four foreign partners have reached agreement to plan and build the ninth transatlantic undersea cable, TAT-9. Scheduled for service in 1991, the cable will take advantage of recent developments in fiber optic technology and will have twice the capacity of TAT-8, which is set for a 1988 start-up. The projected cost is $400 million, and approval of governments and administrations—including the Federal Communications Commission—must still be obtained. Partners with AT&T are Teleglobe Canada, British Telecom International, the French Secretariat of State for Posts and Telecommunications, and Spain's national telephone company, Telefonica. The preliminary agreement, signed May 21 in Paris, includes invitations to other partners in North America and Europe. Most of TAT-9 will operate at 565 megabits per second. New technology will permit use of 1.55-micron lasers, which AT&T said will result in greater efficiency. A "submerged multiplex branching repeater" will allow cable to come ashore at five different points at both ends, including all of the five partner countries. An AT&T spokesman said the company sees sufficient growth in demand both in Europe and the U.S. to go ahead with TAT-9, even though TAT-8 isn't planned to be in service until 1988. (From **Satellite Week,** May 26, 1986, pp. 5-6.)□

Rural Scrambling Solution?

Growing Congressional concern over the availability of scrambled satellite-delivered programming to rural television receive only (TVRO) dish-owner constituents could be greatly alleviated if the National Rural Electric Cooperative Association (NRECA) has its way. NRECA is helping to form the National Rural Telecommunications Cooperative (NRTC) to negotiate with cable programmers in an effort to package basic and premium cable services for rural area dish owners. The venture hopes to have a package put together by year-end. About 75 percent of NRECA member service areas do not have cable and probably won't in the future. (From **CableVision,** Jun. 9, 1986, p. 11.) On June 12th, the NRECA plan was presented in testimony before the House of Representatives during a subcommitee hearing in a room crowded with rural dish owners concerned about loss of service. While members of Congress present were gratified at the development, some skepticism was expressed by programmers at that hearing, as to whether the NRECA plan could assemble a package at a reasonable price. (From your editor's attendance at the hearing.) □

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

July 23-25—Eastern Cable Show, sponsored by *Southern Cable Television Association*. Atlanta Market Center, Atlanta.

Aug. 26-29—*Radio-Television News Directors' Association*, international conference. Salt Palace Convention Center, Salt Lake City. Future convention: Sept. 1-4, 1987, Orange County Convention Center, Orlando, Fla.

Sept. 10-13—Radio '86 Management, Programing, Sales and Engineering Convention, sponsored by *National Association of Broadcasters* and *National Radio Broadcasters Association*. New Orleans Convention Center, New Orleans.

Sept. 19-23—11th International Broadcasting Convention, sponsored by *Electronic Engineering Association, Institution of Electrical Engineers, Institute of Electrical and Electronics Engineers, Society of Motion Picture Engineers, Institution of Electronic and Radio Engineers* and *Royal Television Society*. Metropole conference and exhibition center, Brighton, England.

REGULATION

• **Cable Television Rights** were somewhat clarified in a Supreme Court decision early in June. The opinion was unusually terse (seven pages) but was more than adequate to show the way toward the ultimate establishment of cable television's First Amendment rights. (The First Amendment to the U.S. Constitution calls for freedom of speech and press.) The **Preferred** decision sent a case back to a lower court for rehearing which may decide whether cable systems are entitled to the classic First Amendment protection enjoyed by newspapers, or to the more limited protection accorded broadcasters, or something in between. Cable interests felt the decision would invalidate virtually any regulation of programming on cable television. On the other hand, others noted the Supreme Court said that cable's rights had to be "balanced against competing societal interests" without clarifying what that means.

• **"Must Carry" Debate Continues** Early in June, the Supreme Court upheld a lower court ruling banning the FCC's "must carry" rules. Around for about a decade, these had called for cable systems to carry all local television stations (see **Update 10,** p. 4). The FCC, taking a very different view of both cable and broadcasting than it had in the 1970s, had no interest in reviving the old rule. But the debate refuses to die. Broadcasters, especially independent television stations not affiliated with networks (and thus most concerned about being cut off from cable coverage and potential audience), have pressed the cable industry for an industry compromise (see **Update 26,** p. 4). Now broadcasters are pressuring the FCC and/or Congress to enact that compromise as an FCC rule or, better yet, a modification of the benchmark Communications Act of 1934. The FCC has promised action by early August.

• **Moving the MFJ** In mid-June, U.S. Senate Majority Leader Robert Dole introduced a bill to shift enforcement of the Modified Final Judgement (the MFJ broke up AT&T nearly three years ago) from U.S. District Court Judge Harold Greene to the FCC. Dole feels the FCC, as the expert telecommunications agency, is better equipped than a single judge to continue a government oversight role in common carrier telecommunication. Critics argue the FCC, however, cannot provide the kind of oversight over AT&T that the Justice Department has accomplished in partnership with Judge Greene. At the heart of the controversy is just how large a role any agency of government should play in limiting the business ventures of the seven regional holding companies that were divested from AT&T at the beginning of 1984. Although 1986 is an election year for much of Congress (all of the House members, and a third of the U.S. Senate), it seems likely this bill could become the focus of an important debate on the continued role of government in telecommunications. □

NBC at 60: TV News Firsts

***(Editor's note:** The National Broadcasting Company (NBC), a part of the RCA conglomerate just taken over by GE (see page one) celebrates its 60th anniversary in 1986, and the network is looking back with considerable pride. Among important "firsts" in television news, NBC notes the following:)*

• In **1939**, NBC provided the first televised address by a president, Franklin D. Roosevelt, who spoke at the New York World's Fair. That same year, NBC delivered the first television newsreel and broadcast the first TV news bulletin.

• In **1944**, NBC offered the first television coverage of both national political party conventions in Chicago. Films were flown in daily to New York for televising.

• On September 4, **1951**, NBC began the first regular coast-to-coast TV network operations, with 64 stations participating.

• NBC News was the first to use a mobile television camera and sound equipment during a broadcast of "Today" from Chicago in **1952.**

• NBC offered the first color pictures from Europe to the United States by way of the Telstar satellite on July 19, **1962.**

• A May 3, **1965** edition of "Today" became the first regularly scheduled television program to originate live from Europe by way of the Early Bird satellite.

• The first live transcontinental television interview, between British Prime Minister Harold Wilson in London and newsmen in Washington was featured September 19, **1965** on "Meet the Press." (From **Electronic Media,** June 9, 1986, p. 24.) □

NBC at 60: Early Radio

NBC broadcast its first radio network program on November 15, 1926, thus inaugurating an organized system of providing a continuous national programming service carried simultaneously by a string of affiliate radio stations. NBC estimated that radios in two million American homes were tuned to the broadcast, which was witnessed by a studio audience of more than 1,000 people. Twenty-five stations in 21 cities carried the four-and-a-half hour broadcast. By New Year's Day of 1927, land lines had expanded NBC's reach, making it possible for the network to broadcast the Rose Bowl (college football) from the West Coast. In 1930, Lowell Thomas began a long-running series of radio news for NBC and a year later the network carried the first in the oldest series still on the air in 1986—Saturday afternoon radio broadcasts of the New York-based Metropolitan Opera. By the late 1930s, trans-Atlantic radio enabled NBC to broadcast news reports on political developments in Europe. (From **Electronic Media,** June 9, 1986, p. 32.) □

PROGRAMS

Two New Basic Cable Services

There's a new programming network on the horizon aimed at people with a consuming interest in their fields of business and professional specialization. Its name—no kidding—is Tunnelvision. A proposed 24-hour basic array of magazine-format series, video catalogues and trade convention summaries, Tunnelvision has an April 1987 launch date in its sights. It is described as the ultimate advertiser-supported video magazine rack, turning out 120 new half-hours each month. Instead of designing a network for one narrow group, Tunnelvision is aiming at all sorts of specialty interests. Most of the magazine-format series will be derived from existing consumer and trade publications, with Tunnelvision earning most of its revenues from production contracts with those firms. Meantime Movietime is ready to roll at last, says its backers, who have been attempting a national advertiser-supported "all about film" basic network since late 1984. movietime's 24-hour format will involve trailers, trivia and interviews about upcoming film releases, plus customized local theater schedules every 10 minutes. (From **Cable-Vision,** Jun. 9, 1986, p. 11.) □

CABLE—TV

FNN/Score Anniversary

Since its premiere in May 1985 with 300 cable systems and 8.5 million households, the evening and weekend Financial News Network "Score" sports news, event and call-in format has attracted another 500 systems reaching an additional 8.5 million homes. All of its sports news and call-in fare originate from FNN's Los Angeles studios, and most event coverage is acquired from outside suppliers. That combination has kept costs down. Most hours feature extensive news summaries with highlights and interviews, or call-in periods when viewers can dial a free long-distance 800 number and trade thoughts with experts or win prizes. At those times, text crawls appear at the bottom of the screen with updated scores and closing stock prices. And advertisers are beginning to notice the rising audience for the service. (From **CableVision,** Jun. 9, 1986, p. 18.) □

Still More on People Meters

(Editor's note: Highly controversial in broadcast circles right now is the impending dramatic change in how TV audiences are researched. See **Update 32,** p. 6. Here's why, in the first of a two part discussion.) Compared to existing methods of TV set meter or written diary methods, people meters show that in prime time normally high-rated programs decline; low-rated shows, on average, improve; the average number of viewers per household declines; and network shares drop somewhat. In daytime, viewing levels are consistently lower on people meters than traditional means of audience measurement. And in other time periods, variations are wider and some ratings differences (among children, for example) have yet to be explored. Seasonal variations are more pronounced. During the summer, one experimental people meter service showed a larger drop in the homes using television levels than did the traditional household meter services there. (From **Electronic Media,** Jun. 9, 1986, p. 16. More in the next issue.) □

Turner Sells MGM—Keeps Films

Ted Turner's life as a Hollywood movie mogul will apparently not last long. To help pay down the debt he took on when he bought MGM Entertainment Co. last March for $1.7 billion (see **Update 23,** p. 7), Turner has struck deals to sell all the assets of the company *except* its library of more than 3,000 popular films, for $490 million. The heart of MGM, its television and motion picture production and distribution business, will go to United Artists for $300 million. Its headquarters and production facilities spread over 44 acres in Los Angeles will go to Lorimar-Telepictures for $190 million. For United Artists (UA), the deal is a kind of remarriage as UA had been a part of MGM when Turner first agreed to buy the company last August. (From **Broadcasting,** Jun. 9, 1986, p. 35.) □

Fight Over Residuals Looming?

A major confrontation is brewing between top Hollywood producers and the nation's two largest talent unions over the controversial issue of home video and prime-time rerun residuals (payments to talent for repeated later use of a program). With most prime-time series scheduled to begin shooting within the next few weeks, a prolonged dispute could disrupt the start of the new fall season. In 1980, a nine-week strike by members of the Screen Actor's Guild (SAG) delayed the premiere of new shows until as late as December. The producers in June girded for battle with the 65,000-member American Federation of Television and Radio Artists (AFTRA) and 60,000-member SAG. The joint discussions are to develop a new three-year AFTRA/SAG contract to replace those expiring June 30th. Sources report the producer alliance is seeking elimination of residuals for theatrical work shown on pay cable or videocassette, as well as an end to such payments for prime-time network reruns until the producers recover their production costs. Management also seeks a wage reduction in several talent categories. Producers are arguing that home video is no longer a "supplemental" market and should be considered a primary source of income, covered by initial compensation. (From **Electronic Media,** June 9, 1986, p. 57.) □

In Profile

Laurence A. Tisch

One of the most talked-about figures in network broadcasting today is Laurence Tisch, owner of the largest block of stock in the CBS network. Tisch first began to buy CBS stock a year ago, as CBS fought off a takeover attempt by Ted Turner (**Update 19,** p. 7). He joined the CBS board in October as his stock holdings reached nearly 12 percent of the total. That proportion is now nearly 18 percent of all outstanding stock. Tisch, along with his brother Preston, began in the hotel business in 1949, moving into movie theaters a decade later. The two brothers control the $17.5 billion New York-based Loews Corp., most of whose revenue comes from insurance and cigarette company holdings. The CBS stock position is the first electronic media holding for Tisch. He is seen by some observers as a "white knight" who rescued CBS from Turner—but others feel he may soon move to take over from present chairman Thomas Wyman (see **Update 31,** p. 7). In either case, his presence is already being felt, as CBS tightens its finanical belt to reduce the debt load built up in beating off the Turner takeover attempt. He watches little television himself—mainly news. But the television industry is watching his next moves (he's said he may buy up to 25 percent of CBS) carefully. ☐

UPDATE

UPI Enters a New Era

The long and difficult recent history of United Press International (UPI), one of the two major American news agencies, may finally have reached a degree of stability (see **Update 1,** p. 2, **Update 4,** p. 2.) In early June, UPI ended a year's operation under federal bankruptcy laws to emerge as a restructured company, now controlled by Mario Vázques Raña, a Mexican publisher of some 80 newspapers (see **Update 18,** p. 1). UPI, created early in this century, has been unprofitable for decades. Early in 1985, things came to a head as banks refused further credit and some 1,500 staff members feared for their jobs (they had taken a 25 percent pay cut the year before). It appeared the news agency might go out of business entirely as broadcast stations and newspapers in the U.S., in an effort to cut their own costs, eliminated a news service many considered merely a duplication of the older and established Associated Press (AP). At the same time, critics and publishers alike expressed fears of having to depend on only one news agency for most of their foreign and national news. Mr. Vázquez Raña, who paid about $40 million for UPI, has gone on record promising that the main officers of UPI will remain American, and that the news agency will be independent of his other business interests. He has already invested millions to begin the long rebuilding process, and hopes to attract more newspaper and broadcaster subscribers to UPI service, essential to the long-term survival of the agency. Last year, UPI lost about $5 million on total revenues of $90 million. ☐

FEATURES

Booknotes

Telecommunications in the Information Age by Loy Singleton (Ballinger Publishing, 54 Church St., Cambridge, MA 02138—$19.95) is a second edition of a very useful handbook of developments and prospects for new American media (see also book by Lynne Gross in **Update 28,** p. 8). Subtitled "A Nontechnical Primer on the New Technologies," the 256 pages include three chapters on cable television, plus coverage of low-power TV stations, over-the-air pay TV (now all but gone in this country), multipoint distribution services, applications of communication satellites including direct broadcasting (which seems unlikely here, at least for now), high definition TV, videotex and teletext, videocassette recorders, personal computers, teleconferencing and new business communication networks and others. The author is on the faculty at the University of North Carolina.

The Radio Station by Michael C. Keith and Joseph M. Krause (Focal Press, 80 Montvale Ave., Stoneham, MA 02180—$19.95, paper) is a useful current guide to American commercial AM and FM radio station practices. In 256 photo-illustrated pages, it tells of the development of radio broadcasting here, reviews station management, programming, sales, news, the role of research, promotion efforts, commercial traffic and billing practices, production, the engineering side of radio, and the role of consultants and syndicators. The many illustrations provide examples from current stations. Written by two radio station professionals, the book is a fine assessment and guide to current thinking about the fast-changing world of American radio.

(these reviews from **Communication Booknotes,** June 1986.)

1986 SPRING SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM			AMERICA TODAY (28:00)			1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast MEET THE PRESS (NBC)	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	1300
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St. N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

CMP Publications, 600 Community Drive, Manhasset, NY 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, DC 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, IL 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, CO 80203, USA (telephone 303-860-0111) for **CableVision,** a bi-weekly.

Phillips Publishing, Inc. 7811 Montrose Rd., Potomac MD 20854,USA. (telephone 301-340-2100) for **Satellite News,** a weekly.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, NY 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies)

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, DC 20036, USA (telephone 202-872-9200) for **VideoWeek,** and **Satellite Week,** both weeklies.

Notice

Stories included in* Update *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.

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Showtime to Package Scrambled Signals

After most of the major basic cable services have scrambled their satellite feeds, there may be an opportunity for at least one entity to offer them as a package to owners of home earth stations. A pair of pay cable channels, Showtime/The Movie Channel, would like to exploit that opportunity. The number two pay programmer has been trying to secure the home satellite rights to other soon-to-be scrambled basic services so that it can market them to dish owners as a reasonably priced package with Showtime/TMC. Turner Broadcasting System (which began to scramble Cable News Network and other services on July 1st) has already tentatively agreed to add CNN and CNN Headline News to the package and other programmers are expected to follow suit. If Showtime/TMC can set itself up as a national packager, it would benefit in at least two ways: It would be more easily able to amortize the cost of the office setup to take orders and bill dish owners for just Showtime/TMC (which began to scramble late in May); and it would likely increase sales of Showtime/TMC itself. While Showtime/TMC has no signed contracts yet, it has conditional agreements with several basic services and would like to sign other pay services as well. No decisions have been made on the pricing of the package. Any such national package would compete for subscribers with local packages being offered by some cable operators within their franchises. The proposed package may also compete with one proposed by the National Rural Electric Cooperative Association (**Update 33,** p. 2). One key to the success of the package is putting M/A-Com Videocipher II descramblers into the hands of as many of the nation's 1.5 million dish owners as possible. Showtime/TMC

(continued on page 8)

SHORT SUBJECTS

• **International carrier...** MCI has begun service to Spain and Singapore with service to Italy, Ireland and Japan to come within a few weeks. This will bring to 42 the number of countries served by the largest competitor to AT&T in long distance telephone.

■

• **Latest count...** According to the Federal Communications Commission in Washington, DC, by mid-1986 there were 4,838 AM stations, 5,164 FM stations (just over 1,200 of which are noncommercial), 962 commercial TV stations, an even 300 noncommercial TV stations, and just over 400 of the new low power TV stations. These figures represent actual licensed operations and add up to 11,672 radio and TV stations!

WORLDNET

(see page 8 for schedule)

In This Issue:

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IA 1.16/2:

Ownership Concentration Concerns

(***Editor's note:*** *Amidst rapidly changing patterns of electronic media ownership, two developments in recent weeks suggest some in government are concerned about increasing concentration of media ownership.)* In Congress, a bill to re-establish the three-year holding period for TV and radio stations was introduced in late June. The FCC abolished the holding period in 1982, allowing owners to sell stations as soon as they were acquired. Since then, trading in media properties has reached unprecendented levels. Representative Al Swift, a former broadcaster who sits on the House telecommunications subcommittee, said that "People who have no interest, intention or desire to operate that business in the public interest are buying licenses solely for the quick turnover they can make. That's contrary to the intent of the 1934 Communications Act." He added that such quick sales drive up prices to such an extent that new owners are saddled with heavy debt and much of the financial ability to provide public service programming has been siphoned off into debt service. So far, however, the movement to create new rules in station sales appears small and passage of legislation unlikely. But hearings on the issue may result next year. (From **Electronic Media,** Jun. 16, 1986, p. 1.) Meanwhile, the FCC has issued for comment a proposal to limit the number of cable subscribers that could be controlled by any one cable entity. While the agency has considered limits on cable ownership before, there has never been any rule restricting size of cable systems. There have been many mergers among cable systems in recent years, prompting some concern by those in and outside of the industry. As with the broadcast station bill, however, serious action on the proposal to limit cable system ownership does not appear likely. ☐

Prices Coming Down

What everyone suspected is true. Despite a definite trend to larger screens, new square-cornered tubes, almost universal cable capability, a heavy proportion of monitor receivers, higher resolution pictures and addition of stereo, the average color TV set last year brought in almost $10 less at the factory than a set sold a year earlier. And the average videocassette recorder declined $53 in price in 1985. The data from the Electronic Industries Association show the average color set sold in 1985 for $45 less at the factory than its 1981 counterpart, despite inflation since then. Last year's average color TV set factory price was just over $324, actually the lowest price since 1974. VCRs completed the sixth consecutive year of price declines in 1985. Average factory prices for VCRs run about 33-36 percent above average import figures—the difference representing transportation, duty, markup, etc. Figures for 1986 are still sparse, but there may be some hint of slightly firming color TV prices and continued declines in VCR prices. (From **TV Digest,** Jun. 23, 1986, pp. 10-11.) ☐

Fiber in the Pacific

The Australian Overseas Telecommunications Commission (OTC) has disclosed plans for a $1 billion fiber optic phone link joining Australia, New Zealand, and North America to be completed by the mid 1990s. The first phase of the project, to be on-line by 1991, is called TASMAN-2, and will provide relief for existing Australia-New Zealand cable and satellite links, which the OTC says are nearing their limits. The system will provide increased capacity for voice and data links between the two nations by increasing the number of telephone channels (From **Telephone News,** Jun. 16, 1986, p. 6.) ☐

New Separate Satellite System

Eyeing what it sees as a big video transmission opportunity in the Third World, McCaw Space Technologies has filed application with the FCC to become a separate international satellite system. The company's Celestar International Satellite System would offer telecommuncations services in the Indian and Pacific Ocean regions. "We are convinced that there's enough traffic" and that there will be more by the launch of the first satellite by 1991 said McCaw attorney Lon Levin. The plan is for two Ku-band satellites, with a ground spare, that would use the main hub on Guam for service to the entire Indian and Pacific Ocean region using numerous spot beams. The estimated cost for the entire program is $382.1 million, including $110 million for operational satellites, $120 million for launch on the shuttle, Ariane or a comparable vehicle, and an optimistic $56 million for insurance. (From **TV Digest,** Jun. 16, 1986, p. 6.) ☐

Hawaii as Launch Site?

The status of a reported proposal by Hughes Aircraft to develop a satellite launch pad in Hawaii jointly with the Chinese remained inscrutable in late June. The Chinese news agency Xinhua announced in mid-month that a proposal had been made by Hughes to the China Great Wall Industry Corp., a state corporation administering the country's commercial space program, using Chinese carrier rockets and launch technology and American satellites. The next day Hughes' president issued a statement saying there had been no proposal on the issue. Apparently Hughes has discussed with McDonnell Douglas, and possibly others, the possiblity of the satellite industry setting up a cooperative launch facility in the Pacific Basin. The proposal to the Chinese, if it turns out to be factual, raises two major questions: (1) Why would Hughes want to use the "Long March 3" rocket, which has been launched only three times, two of those successfully? One industry official speculated that the company might hope to use China's ties to Third World nations as a means of selling satellites to those countries, while another said Hughes may be trying to prod the U.S. government and rocket industry into action. (2) How quickly could a facility be ready? Chinese delegates making rounds in the U.S. several months ago told American companies they have built up rocket inventory for domestic uses that they would be interested in selling to U.S. customers at prices 15-20 percent below the current market level. But getting a site and building the facility in Hawaii would take several years, by which time Arianespace and possibly the shuttle could be launching satellites again. The idea of building a launch site in Hawaii has been around at least since the late 1960s. The islands are about three degrees closer to the equator than either the Kennedy Space Center or Vandenberg Air Force Base in California, and could be used for either geostationary or polar launches. More importantly, rockets could be launched in almost any direction without going over populated areas. (From **Satellite Week,** June. 23, 1986, pp. 3-4.) ☐

Booknotes, *from page 8*

N.Y. 10016—price not given, available in hardback and paperback) is a revision of a guide first issued in 1982. It provides detailed profiles of jobs in management, programming, production, news, engineering, advertising sales, ad agencies, performance, cable TV, home video, education, and related areas—useful for what they say about the American consumer television business as well as for practical guidance for job seekers.

(These reviews from **Communication Booknotes,** June 1986.) ☐

Cutbacks, *from page 7*

worldwide enterprises and the top management hierarchy of the broadcast group as key functions and areas of responsibility have been fused. All divisions have begun cutting back on travel and business meetings and are making greater use of video and satellite communications instead. Program practices is not employing as many censors as it used to. (From **Electronic Media,** Jun. 30, 1986, pp. 1, 27.) ☐

REGULATION

- **New TV Industry Violence Code** is a possibility, replacing the now defunct National Association of Broadcasters Television Code. The U.S. Senate is considering an exemption to American anti-trust laws, to allow industry groups to cooperate in development of such a self-regulatory code of program practices. One bill pending in the Senate would require a Federal Communications Commission study of the amount of and trends in televised violence. Network representatives argued for continued industry self-policing, saying they saw possible joint setting of standards by the industry as an intrusion into their own program controls. Setting a single industry standard would end up effectively censoring some programming, said an ABC spokesman, and open the floodgates to pressure for other kinds of program guidelines on stereotyping, sexuality and minority representation. Other network spokespersons argued their present standards are higher than any industry-wide standard would likely be. Speaking before a Senate subcommittee, others argued any industry standard would have to extend to producers and writers and others from the creative community. (From information in **Communications Daily,** Jun. 24, 1985, p. 3.)

- **Major Policy Shift** may be in the works. U.S. Senator Robert Dole, the Senate Majority Leader, has introduced legislation to transfer the continuing oversight regulation of AT&T and the several regional holding companies spun off from AT&T in 1984. At present, under the terms of the "Modified Final Judgment," the U.S. Department of Justice works with U.S. District Court Judge Harold Greene to decide what additional lines of business the local operating companies may enter (in addition to basic telephone service). Dole's bill would transfer this process to the Federal Communications Commission as the expert government agency in telecommunications. Many observers feel the shift would likely result in lifting present restrictions on the local companies, allowing them to compete more directly with each other and with their former parent, AT&T. But it is an election year, and it is hard to tell whether the bill promoting the proposed shift will become law.

- **Broadcasters Embrace Public Interest Standard.** At a recent strategy session of its board of directors, the National Association of Broadcasters adopted a policy statement calling for the FCC, courts and Congress to leave broadcasting under the public interest concept of regulation, as called for under the 1934 Communications Act. The action came primarily because broadcasters wanted to assure they would receive credit in license renewal proceedings for local programming, overall quality of their past programming, and their general public service role. Many station owners have feared that would be lost if the Federal Communications Commission abandoned the concept of the station licensee (owner) as a public trustee. (Drawn from information in **TV Digest,** Jun. 23, 1986, p. 2.) □

Reruns in Home Video

Once upon a time, viewers complained about rerun programs. Now they're buying and renting them from local video stores—everything from pilot programs that did not sell to TV movies and miniseries. Said one producer: "It's a growing market. If you think about it, we have barely scratched the surface of what can be done in home video with TV shows." The "baby boomers" who grew up in front of the TV are now the largest segment of the videocassette recorder (VCR) owners—and they're going back down memory lane. The networks are responding with hyped up revivals of old series programs, syndicators are seeking so-called "lost" episodes, and video stores are devoting large sections of their shelves to TV shows—the very entertainment home video was supposed to displace. Dozens of TV series, including such cable fare as "Ray Bradbury Theatre" (science fiction), and "Faerie Tale Theatre," as well as made-for syndication series such as "Tales from the Darkside" and "Space: 1999," are now available on videotape at suggested retail prices ranging from $14.95 to $59.95. TV enthusiasts can now purchase copies of every episode of "Star Trek," "The Prisoner," "Battlestar Galactica," and even 10 volumes of lost "Honeymooners" situation comedy sketches from the early 1950s. Despite the sheer number and diversity of titles, however, TV shows don't necessarily do well in home video. Where a TV series does well, that means sales of between 15,000 and 20,000 copies. A real blockbuster, such as the "Star Trek" series, can sell 40,000 units. A hit motion picture, on the other hand, can do ten times that. One home video spokesman noted that TV series really have limited appeal unless you tap into a major cult following—as with "Star Trek." In other words, the TV show has to be collectible for some very good reason. As an example, the two colorized (see **Update 28,** p. 2) episodes of "Wanted: Dead or Alive," a 1960s' western starring late film star Steve McQueen, have done well because of recent interest in the star. There are differing views among program series owners as to whether home video is a mere dumping ground for failed TV programs. Paramount has released three of its short-lived series in home video, not just to make money on what were commercial failures, though that plays a part. They are aimed at a specific audience. "Police Squad," for instance, was short-lived, but developed a strong critical and popular following. Perhaps even more unusual than the proliferation of flop series in home video is the abundance of junked TV series pilots. They are very lucrative because they were designed to sell a series and thus have strong story lines, star power and production value. One video store owner feels that the best thing is to stick with the 1960's programs. TV shows for VCR use generally sell best in the more current and cult markets like Los Angeles, New York and San Francisco. (From **Electronic Media,** Jun. 30, 1986, p. 19.)□

PROGRAMS

Late Night Competition

There seems little doubt that Fox Broadcasting Co.'s (see **Update 31,** p. 7) new "The Late Show with Joan Rivers" will steal a share of the $240 million reaped annually by the three commercial networks in late night hours. The real question is: how much? Noted one network executive: "We've all been up against stiff late-night competition before. But this time, we are dealing with a changing environment. Late night is one of the more robust parts of the day for television. Audience and advertiser interest in it is growing and it may be that the annual growth will be enough to offset what business Fox is able to attract." Currently, NBC's "Tonight Show Starring Johnny Carson" commands almost half of all advertising dollars available in late night. CBS's late night fare attracts about 35 percent of the dollars, and ABC about 16 percent. The new Fox program begins October 6, with plans to be in all of the top 50 markets and a guarantee of about 76 percent of all TV homes. Reports in June indicated Fox was writing advertising contracts for a year or more with both existing and new advertisers to late evening network hours. (From **Electronic Media,** Jun. 23, 1986, pp. 3, 33.) □

CABLE—TV

More Money = Better Programs

For just one dollar per month per subscriber, cable operators could create a cable network that could complete with the three broadcast networks for programming. The dollar per month per subscriber would generate more than $400 million. When combined with the additional advertising revenues that would result from the higher ratings the new programming would earn, the cable network could have around $550 million a year to spend. USA Network President Kay Koplovitz spoke along these lines at a recent Washington luncheon. Her comments were sparked by increasing talk among cable operators about pouring massive amounts of money into one or more basic cable services to boost cable audience penetration (see **Update 32,** p. 1). She noted that today, on average, the industry spends less than a dollar per month per subscriber for all basic program networks combined. (From **Broadcasting,** Jun. 23, 1986, p. 10.) □

RESEARCH & Technology

Still More on People Meters

(Editor's note: *Highly controversial in broadcast circles right now is the impending dramatic change in how TV audiences are researched. Here's why, in the second of a two part discussion, continued from* **Update 33,** *p. 6.)* There is no perfect rating methodology. People meters, while possibly overcoming some problems, bring their own shortcomings, many of which have not yet been thoroughly examined. Networks realize that a new scoring system will be upset many of the business norms they live by. They want to make sure the change is a sound one—that as far as research is concerned, people meters will represent not only superior technology to current systems, but better measurement as well. Among the questions that need to be answered are: (1) Does button-pushing affect a viewer's behavior—either consciously or unconsciously? (2) Will all the people in a household push the meter buttons all the time? For how long? (3) Does the somewhat lower audience cooperation rate for people meters vs. household meters create sample difficulties? (4) Can viewer anonymity be achieved when the button-pushing takes place in front of visitors and neighbors? Open disclosure of sample panel members could invite fraudulent activities to artificially raise an individual program or station rating (the passive present meter system is not so subject to this problem). Right now, A.C. Nielsen and other companies are participating in rating validation studies comparing people meters, traditional set meters, and telephone survey methods. In January, Nielsen will select one of two options for the fall of 1987: a network ratings service based only on 2,000 people meter households supplying household viewing and demographic data, or continuation of the current meter service from 1,700 households with only demographic data from the 2,000 people meter households. The only rationale for the second option would be to offer proof that the new national people meter sample yields household measurement results that are significantly different from those provided by the existing meter service in use for 35 years. This could result from sample differences related to greater placement problems for people meters (because they call for a continuous effort from participants). Meanwhile, the AGB firm is planning to launch it competing national rating service based on 2,000 people meter households by September 1987. By then, test results from ScanAmerica, the third people meter contender, could further heat up competition in national audience measurement where Nielsen has reigned without competition for decades. (From **Electronic Media,** Jun. 9, 1986, p. 16.) □

Date Book

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

Aug. 26-29—*Radio-Television News Directors Association* international conference. Salt Palace Convention Center, Salt Lake City. Future convention: Sept. 1-4, 1987, Orange County Convention Center, Orlando, Fla.

Sept. 10-13—Radio '86 Management, Programing, Sales and Engineering Convention, sponsored by *National Association of Broadcasters* and *National Radio Broadcasters Association.* New Orleans Convention Center, New Orleans.

Sept. 19-23—11th International Broadcasting Convention, sponsored by *Electronic Engineering Association, Institution of Electrical Engineers, Institute of Electrical and Electronics Engineers, Society of Motion Picture Engineers, Institution of Electronic and Radio Engineers* and *Royal Television Society.* Metropole conference and exhibition center, Brighton, England.

Oct. 14-16—*Society of Broadcast Engineers* national convention. St. Louis Convention Center.

Oct. 24-29—*Society of Motion Picture and Television Engineers* 128th technical conference and equipment exhibit. Jacob K. Javits Convention Center, New York. Future conference: Oct. 30-Nov. 4, 1987, Los Angeles Convention Center; Oct. 14-19, 1988, Jacob Javits Convention Center, New York, and Oct. 22-27, 1989, Los Angeles Convention Center.

Oct. 28-30—*Atlantic Cable Show.* Atlantic City Convention Center, Atlantic City, N.J. Information: (609) 848-1000

John W. Kluge

Multibillionaire John Kluge may be showing the way to other large media companies—that the parts of their firms may be worth more than the whole. In the past three years, Kluge has first taken control of most of the stock in Metromedia, and then in a series of record-making financial deals, has sold off its parts for far more (as much as $3 billion) than a unified Metromedia might have brought. At the end of June, he sold off the paging and cellular telephone holdings of Metromedia (including the cellular mobile phone system serving Washington, DC) for $1.65 billion in the last major deal of the dismantling process. It was the sale of seven Metromedia television stations for $2 billion to Rupert Murdoch in early 1985 (see **Update 4,** p. 1) that brought the Australian media mogul (**Update 9,** p. 6) into American broadcasting—and changed his citizenship. Kluge then sold off nine radio stations for nearly $300 million. Today, little is left of the once powerful firm—except a huge bank balance. Kluge came to the U.S. as an emigrant from Germany at age 8 and first got into radio in 1946 with purchase of a station in suburban Washington, DC. He bought control of Metropolitan Broadcasting in 1959 and saw it grow into the Metromedia conglomerate he has now dismantled in a most lucrative fashion.

In Profile

UPDATE

Cutbacks at CBS

***(Editor's note:** the three broadcast networks, for various reasons, have all been sharply cutting back their budgets—see **Update 29,** p. 5. The latest news is from the only network which did not change ownership over the past year.)* CBS/Broadcast Group officials in late June began final deliberation on staff cutbacks and operational changes that could cut up to 700 (of a total 8,000) positions. The cutbacks will be in all divisions. High-level CBS sources said that most people will be "surprised by the extent of the activity that will take place." The overall goal is to cut about $300 million from the CBS/Broadcast Group budget—between 10 and 15 percent of the total. The result will be the widespread consolidation of positions; the cutting back of operations such as program practices, press information and promotion; and the total elimination of some units. One important indication of the kind of changes being planned was the high-level reorganization announced last week by CBS Sports. That move essentially eliminated three high-paying executive producer posts and streamlined the division's managerial structure. Sources say the restructuring will result in a savings of at least several million dollars over several years. More than 100 other positions in the broadcast group have already been cut this year through both attrition and layoffs. In recent months, high-level positions have quietly been eliminated in the owned TV stations division,

(continued on page 3)

FEATURES

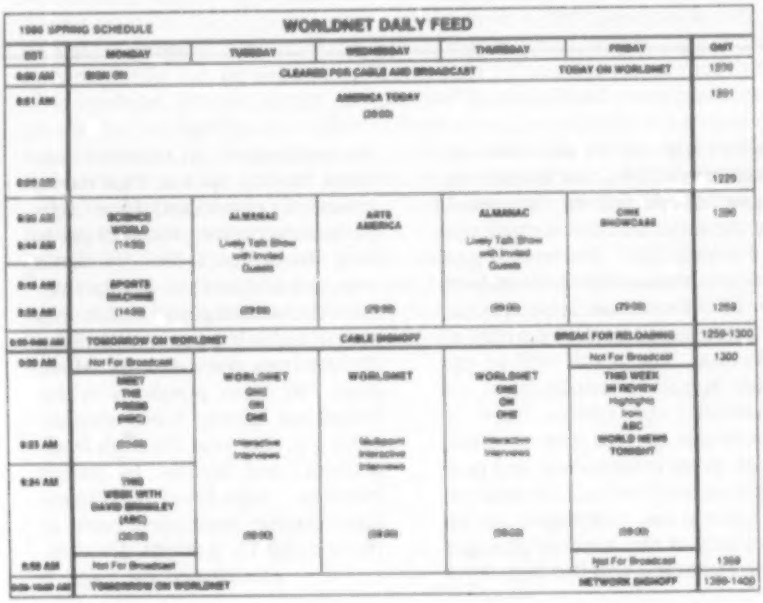
Booknotes

Communication Technology: The New Media in Society by Everett M. Rogers (Free Press, Macmillan Co., 866 Third Ave., New York, NY 10022—price not given, available in paperback and hardback) is the latest work of a top American expert and marks the first integrated analysis of theory and technology wrapped up in a basic textbook approach. Rogers, now at the Annenberg School at the University of Southern California, discusses the changing nature of human communication, what are the new communication technologies, a history of the study of communication, adoption and implementation of communication technologies, the social impacts of those technologies, new theories, new research methods, and applications of new technologies. Rogers combines a vast amount of research into this 273 page survey which is at the same time a fine overview of American academic research thinking on changing technology in telecommunications.

Understanding Satellite Television Reception by S. E. Sutphin (Prentice Hall, Englewood Cliffs, New Jersey, 07632—price not given) is a very short (112 pp.) practical handbook on the title topic. Chapters cover satellite technology generally, the antenna portion of an earth station, the receive portion, and the past, present and future of satellite television. The handbook includes a glossary, satellite "footprint" maps and other reference material.

Career Opportunities in Television, Cable and Video, by Maxine and Robert M. Reed (Facts on File, 460 Park Ave. South, New York,

(continued on page 3)



1986 SPRING SCHEDULE

WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (29:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:30)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET	CABLE SIGNOFF			BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	WORLDNET ONE ON ONE	WORLDNET	WORLDNET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	[illegible]	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issued, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting,** a weekly.

Communication Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243) for **Communication Booknotes,** a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD. 20854, USA (telephone 301-340-2100) for **Telephone News,** a weekly.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, D.C. 20036, USA (telephone 202-872-9200) for **Television Digest, Video Week,** and **Satellite Week,** all weeklies, and **Communications Daily.**

Showtime, *from page 1*

can't sell a dish owner any kind of service until the dish owner first gets a descrambler. To encourage dissemination of descramblers, Showtime/TMC is offering modest rebates to dish dealers who sell decoders to dish owners and refer them to Showtime/TMC for programming. (From **Broadcasting,** Jun 23, 1986, p. 10.) ☐

Notice

*Stories included in **Update** are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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